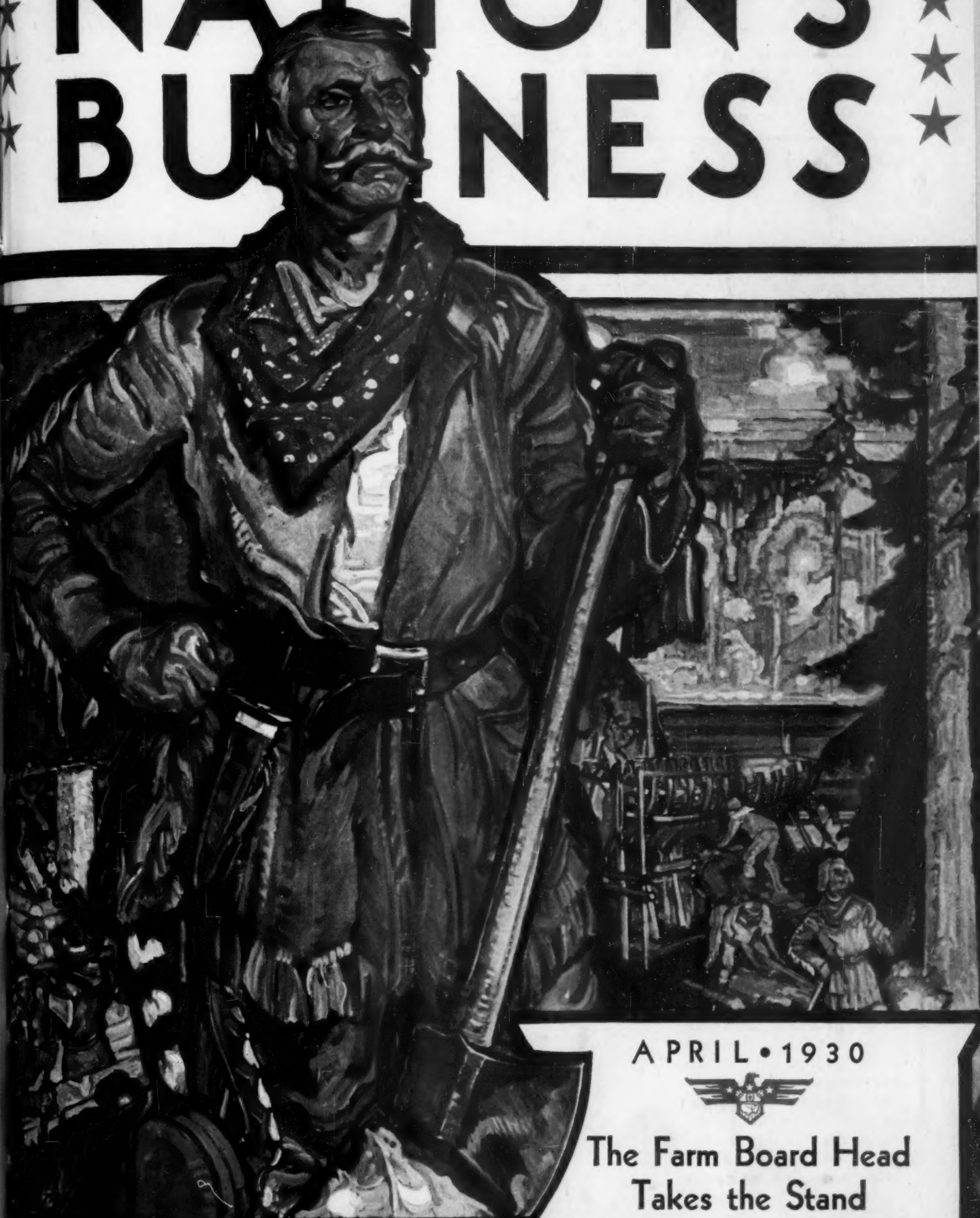


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NATION'S BUSINESS



APRIL • 1930



The Farm Board Head
Takes the Stand

COVER • The Pioneer Lumberman • See Page 6

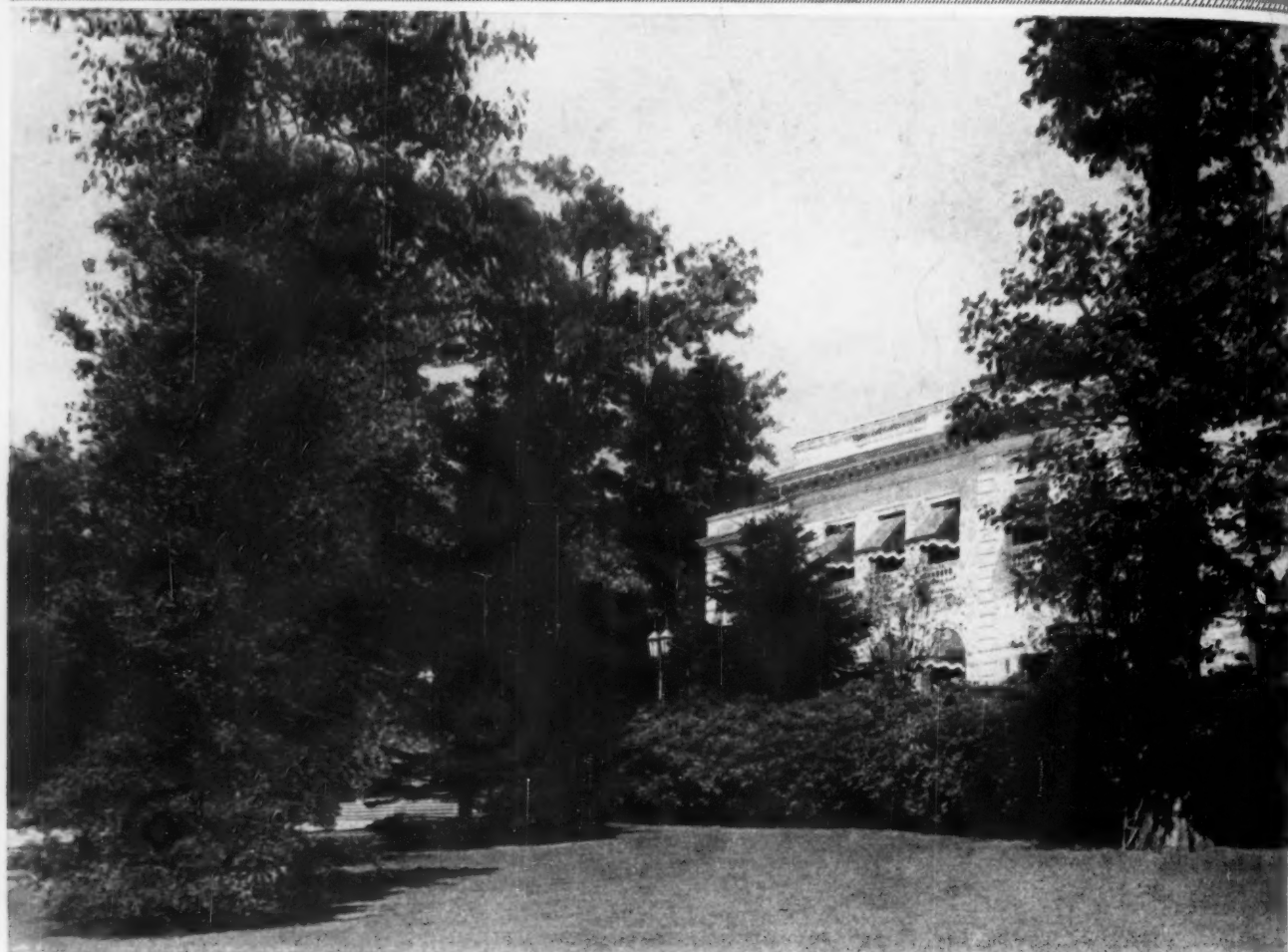
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YEAR

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DAVEY TREE SURGERY



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1,000 high-type scientifically trained experts serve Davey clients

JOHN DAVEY struggled through the first 21 years with only a few helpers in the practice of his new science of tree surgery. Then in 1901 he published his first book, "The Tree Doctor," illustrated largely with photographs made by his own hands.

From this point on, there was a gradual growth against difficult odds in the development of the human organization that was to carry on his work. Aside from the ordinary problems of developing a new business, there was the unusual task of pioneering a new idea.

Gradually his organization

grew to the point where his trained men must operate beyond his personal supervision. A resident school was necessary to give scientific training. And in the fall of 1908 there was established the Davey Institute of Tree Surgery, which remains to this day the only school of its kind in the world.



JOHN DAVEY
1846-1923
Father of Tree Surgery
Reg. U. S. Pat. Office

There are now 1,000 Davey Tree Surgeons carefully selected, scientifically trained. The entire organization includes some 1,300 people and did a business in 1929 of \$3,250,000, serving 22,368 clients from Boston to beyond Kansas City, and

between Quebec and the Gulf.

Send for nearest Davey representative to examine your priceless trees without obligation. Any necessary work will be done at reasonable cost. Davey service is local to you—Davey Tree Surgeons live and work in your vicinity. Write or wire Kent, Ohio.

THE DAVEY TREE EXPERT CO., Inc.
379 City Bank Bldg., Kent, Ohio
Branch offices in all important cities between Boston and Kansas City, between Canada and the Gulf
MARTIN L. DAVEY, President and General Manager

Tune in Davey Tree Golden Anniversary Radio Hour
Every Sunday afternoon, 5 to 6 Eastern time; 4 to 5 Central time; over the Red Network National Broadcasting Company. Featuring the old-time songs that every one knows and loves. Listen to Chandler Goldthwaite on the Skinner Residence Organ.

NATION'S BUSINESS for April

VOLUME 18



NUMBER 4

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As the official magazine of the National Chamber this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers.

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now being erected at
One Wall Street, New York*

A Far Reaching Transaction

A CUSTOMER of the Irving Trust Company ordered on one Friday \$20,000,000 in pounds sterling for delivery in London the following Wednesday. On Saturday an additional \$10,500,000 was added to

the amount, and on Monday \$200,000 more.

To carry this transaction through without materially affecting the rate of exchange, this Company made purchases in Shanghai, Kobe, Batavia, Hong Kong, Buenos Aires, Berlin, Amsterdam, Paris, Milan, Bombay, London and New York. Through free use of the trans-Atlantic telephone and cables the total amount of sterling needed was obtained and delivered at the time specified.

The world wide connections of the Irving Trust Company made it possible for this large transaction to be completed on time and at rates which were most satisfactory to the customer.

IRVING TRUST COMPANY

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New York

In the May Issue

"I'M GOING to raise my son to be a government employee," writes Secretary of Labor James J. Davis in beginning an article in *NATION'S BUSINESS* for May. He says that he decided this after observing the varied businesses in which the Government is engaged. His list of these will surprise you.

Two sides of an important business problem are to be presented by W. O. Saunders, editor of the *Elizabeth* (N.C.) *Independent* and Theodore F. MacManus, president, MacManus, Inc., Detroit. Mr. Saunders finds fault with modern business because, he says, it forces the customer to be discontented with his old possessions and constantly buying new ones, thus keeping him in debt. Mr. MacManus, an advertising expert, answers the attack.

Joseph Stagg Lawrence, of Princeton University, has just completed a thorough study of the Joint Stock Land Banks. In May he will begin a discussion of the condition of these banks and explain the difficulties Uncle Sam has encountered since attempting to aid the farmers financially.

THIS MONTH'S COVER

Painted by Charles De Feo

HEMMED in by the ocean they had just crossed and the lurking menace of the forest, huddled bands of settlers placed their future in the calloused hands of the Pioneer Lumbermen.

They were equal to the trust. Alternating between rifles and axes, they hewed a new nation from the tangled forests. With their rifles they drove off marauding savages. With their axes they shaped timbers for dwellings and block-houses. Their slashing blows cleared farm lands for crops and provided fuel.

Later, they built the sailing ships that gave this country the mastery of the sea, and in these ships their products traveled abroad to give a struggling country its first commerce.

Sawmills were among the new land's earliest manufacturing plants, and about them grew up towns that became the cities of today. These cities boast of their towering edifices of steel and concrete. But their comforts, their industry, their commerce were shaped in the beginning by the sure strokes of the Pioneer Lumbermen. To these men this cover is dedicated.



Information Given Out

SELDOM do we view with alarm, but the time has come for calm discussion and bold action. Unless our editorial sights fail us, a revolution is in the offing, bloody and terrorizing.

Business, long suffering, stands with its back to the wall, a gleam of desperation in its eye. Someday, in some office, remote perhaps, a spark will drop, and nation-wide conflagration will result. That spark will be in the form of one questionnaire too many—and hell's fury will engulf the land.

The Government is prime offender. It has a passion for plain, fancy and assorted facts, *via* the lazy route of the questionnaire. Let any one of a thousand perplexing questions darken the horizon of our tireless authority-hunting souls, and comes the gladsome and buck-passing cry, "Aha! A questionnaire!" The speck of doubt need be no bigger than a man's hand. It is enough. A list of questions as long as your arm is quickly incubated and takes wing.

"As long as your arm"? The questionnaire of the Federal Trade Commission to the utilities weighed as much as Webster's Dictionary. Its more recent questionnaire on chain stores has not only heft, but like the peace of God, it passeth all understanding.

The contagion is spreading. Organizations now send out sets of weird and wonderful questions, numerous as the quills on a porcupine, and about as irritating.

Before me is a questionnaire from a venerable seat of learning in New England. It seeks to plumb the mystery of success, or, how did you get that way? The form on which I am to report seems the natural offspring of an old-fashioned American ballot, and a modern income tax blank. Our eye grows glassy as we see those pointed questions, row on row. Was our paternal grandfather "a major or a minor executive?" Apparently the maternal grandparent is nobody's business. And "how was your present vocation selected?" Several choices and blank option for that. The possibilities range all the way from "chance opportunity" to "invitation,"

and "gradual swinging over from other fields." What delicate shading of human motives, what finesse in dissecting success! And all by means of a simple questionnaire.

The racket, for it has become a racket, was started by Diogenes. But we have respect for Diogenes. He did not go running around with question marks for company. He carried a lantern. If he wanted light on a dark subject, he was man enough to show himself personally before he asked for a show-down.

Socrates developed the idea, but carried it too far, as have some of our modern inquisitors, and we all know what happened to him.

The remedy? Almost we can bring ourselves to urge that "there ought to be a law." But no. The punishment could not be made to fit the crime. We must be more intemperate.

A friend works it out this way. To each questionnaire maker he sends a questionnaire in return. It is a form and starts out, "To assist me in filling out your questionnaire, please fill in the attached form." The attached form asks forty-odd questions, such as:

What are your qualifications:

(a) As to asking questions?

(b) As to analyzing answers?

Is this your first offense?

Do you expect to make it your life work and why?

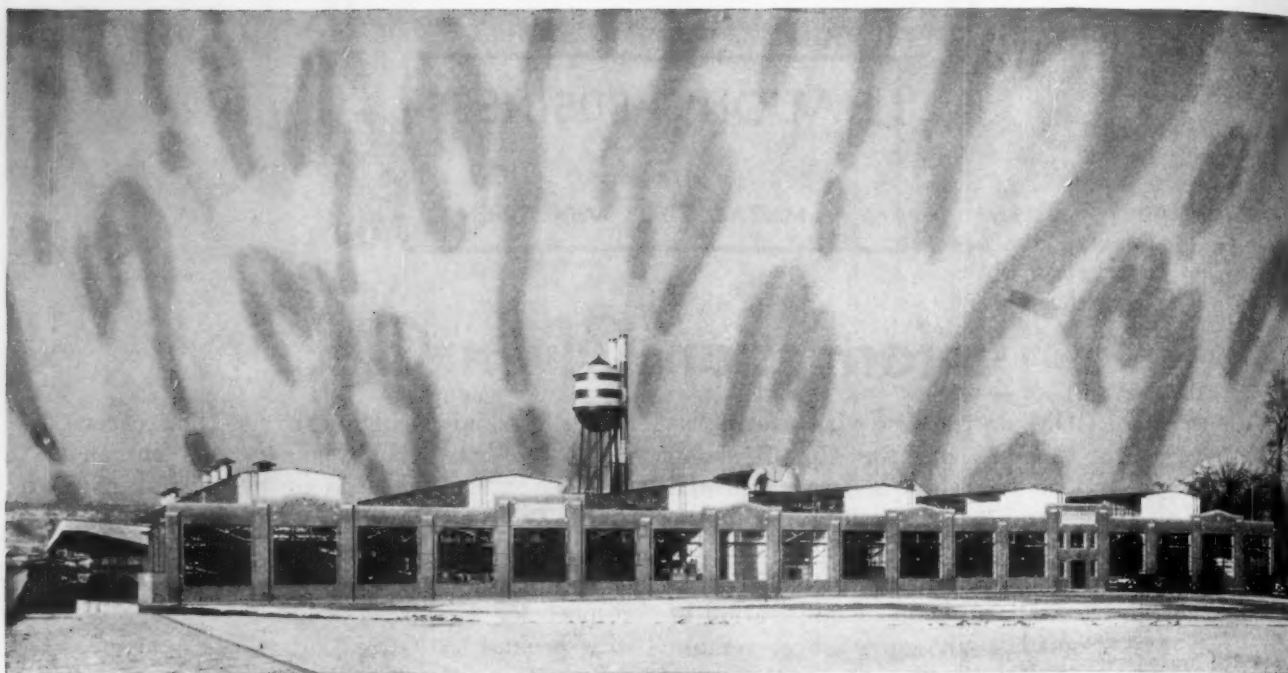
(Use separate sheet for reply)

Will you post bond guaranteeing that the information given you will be put to any use?

My friend tells me this will kill any questionnaire.

For our own part, we shall explain our unresponsiveness to the next questionnaire with the text on a placard we once saw in a railroad station. "Information Given Out," said the sign. All the information gone. No more information. That's all there is. There isn't any more.

Merce Thompson



Modern straight line production plant in the Northwest, recently completed by The Austin Company.

When the Question of Building Arises

QUESTIONS naturally arise when new plants or warehouses are to be built . . . and it is the executive who demands concrete answers to each and every one of them that secures the most for his building dollar.

Vital in importance is the question of design, for low cost operation hinges upon this factor. Floor areas must be put to maximum use . . . the ultimate in straight line production methods is imperative . . . daylighting, ventilation, and other features must be given serious attention.

Definite answers on these questions and many others will be satisfactorily supplied by Austin . . . efficient design is assured because of Austin's broad and specialized experience . . . construction performance

is guaranteed in writing in the contract.

First, a low total cost for the complete project, including design and construction, is specifically set in advance. *Second*, a positive date is made for completion, with bonus and penalty clause if desired. *Third*, the quality of materials and workmanship is fully guaranteed and, under The Austin Method of Undivided Responsibility, this nation-wide organization becomes fully accountable for every detail *under one contract*.

Know in advance what you will receive for your building investment. Put your problem up to Austin today. Wire, phone, write the nearest office, or use the convenient memo below.

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Portland Phoenix The Austin Company of California Ltd.: Los Angeles, Oakland and San Francisco
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Memo to The Austin Company, Cleveland— We are interested in a _____ project containing _____ sq. ft. Send me a personal copy of

☐ "The Austin Book of Buildings." Individual _____ Firm _____ City _____ N B 4-30

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NATION'S BUSINESS



Published at Washington by the Chamber of Commerce of the United States

MERLE THORPE, Editor

As the Business World Wags

THUS WE MAY SEE, QUOTH HE,
HOW THE WORLD WAGS—*As You Like It.*

He's Better but Doesn't Know It



THE invalid after a severe sickness is beginning to feel better. He's had a little solid food and has been sitting up in bed. One day the doctor tells him he can get up on the morrow. He looks forward eagerly to taking up life where he left it. But tomorrow comes and he finds that his legs are wobbly, that his head isn't clear. Discouraged, he crawls back into bed for awhile. He's much better but he doesn't know it.

Business has been going through somewhat that experience. Encouraging bedside friends had told it how well it looked, but when it tried to stir about it was not quite so strong as it thought. And that, perhaps, is what the business psychologists had in mind when they talked of the "secondary depression of late February."

Now Dr. Hoover, who has been in consultation, says the patient is improving and makes his diagnosis definite: "the worst effects of the crash upon employment will have been passed during the next 60 days."

Sixty days from March 7 when the statement was given out is May 6.

The Lively War on the Chains



WAR upon the chain stores is reported from a dozen battlefronts. At least six associations which claim national membership have opened up offices. Apparently these have not progressed far beyond the promotion stage. Twenty or more states have associations, and the local groups formed to combat the chain are countless. Recently one of the larger chains asked its managers to say whether or not antichain groups were active in their localities. Almost all the managers said that such groups were operating.

An outstanding fighter in the war of words is W. K. Henderson, of Shreveport, who operates a broadcasting station to cry out against the "menace" of the chains. He is organizing a retailers' protective association of a sort known as the Minute Men and asserts that more

than half the states have organized regional units of the Minute Men.

In Nebraska, twelve hundred members of the Federation of Retailers are actively arraigned against the chains. In Louisville, Kentucky, and Decatur and Macon, Georgia, newspapers are published with independent retailer support to spread the independents' gospel.

Old established trade bodies are a little apprehensive of the new forms of organization. They point out that in some cases the antichain movements are led by professional organizers. The National Association of Retail Grocers outlines its position in a statement:

The organized retail grocery trade has not sought to attain successful competition on the part of the individual as against the chain system on either prejudice or class hatred, for in so doing we would have defeated our own purpose and endangered our own morale and effectiveness.

The Customer Will Settle It



NEW things are always fought—fought partly because they are new and disturb our complacency, partly because there are always some sufferers from innovation. The outbursts at the chain stores have plenty of parallels. New machines have caused riots, steam engines have been fought as ruinous to agriculture and mechanical refrigerators because they put icemen out of work.

A generation or so ago the department store was damned because it spelled the doom of the small merchant—and now we still complain there are too many retailers; not long ago communities were holding public bonfires of mail-order catalogs—and Sears & Roebuck and Montgomery Ward find new ways of spreading their trade; ordinances were passed to prevent house to house selling—and local retailers took it up themselves; instalment selling spelled ruin—and every day new things are sold on part payments while cash-and-carry stores multiply.

There are few knock-outs in economic battles. They end in compromise with both fighters on their feet.

But one thing is certain. The customer is the referee and there is no appeal from his decision. If he wants the chain store he'll have it; if he wants the independent

retailer he'll have him. The buying man or woman may be moved by price, by convenience or by the way the salesman brushes his hair, but whatever he wants he'll have.

What! The Farmers Are Happy



farm-and-home week at the State College of Agriculture that the farmer was to be envied. We quote his very words:

How happy is the family today located on a farm in New York State and able to say every day as they get up in the morning and as they go to bed at night:

"We at least have no fear of starvation, we at least have no fear of losing our job. We may not be getting very rich but at least we are able to go on with our lives without suffering and without drastic change."

What nonsense! Every reader of that faithful chronicle of the sufferings of the farmer, the *Congressional Record*, knows that the farmer is not happy and cannot be happy. Or is it that the only happy farmers are those in the State of New York, in whose southeast corner is that center of sin, Wall Street?

A Brain For Great Britain



Britain is following suit. Prime Minister MacDonald announced the plan some weeks ago in an address which contained this phrase:

We want to lay down a program that will recondition our country, and in the process we will face and tackle successfully the problem of the extra unemployment we have today. We propose to meet that by modifying the structure of government so as to meet the new economic and industrial circumstances. We propose, as it were, to organize a brain for thinking and acting for an industrial State.

The committee is to be headed by the Prime Minister and to include the Chancellor of the Exchequer, the President of the Board of Trade, the Minister of Labour. (A similar committee in this country would be headed by Mr. Hoover since we have no prime minister, and include Mr. Mellon, Mr. Lamont and Mr. Davis.) There will also be two full-time economists.

A move, it would seem, toward a further government control of business in Great Britain, another effort to strait-jacket industry.

If this country needs a permanent economic council let us hope that it will be one brought together by business and inspired by business.

We Can't Go Backward



JOHN DEWEY, eminent philosopher, writing on individualism and cooperation in *The New Republic*, sounds a sensible warning to American business, and presents perhaps unwittingly, a lucid argument for Mr. Hoover's con-

FRANKLIN D. ROOSEVELT, Governor of the Empire State of New York, has been preaching heresy. He actually dared to tell the men and women who gathered at

NATION'S BUSINESS for April, 1930

ferences of industry and for the setting up under Julius H. Barnes' chairmanship of the National Business Survey. Here is the case as the philosopher sees it:

I do not mean that I think that the "new economy" is firmly established as a fact or that the endless chain of speeding up mass consumption in order to speed up production is either endless or entirely logical. But certain changes do not go backward. Those who have enjoyed high wages and a higher standard of consumption will not be content to return to a lower level. A new condition has been created with which we shall have to reckon constantly in the future. Depressions and slumps will come, but they can never be treated in the future in the casual and fatalistic way in which they have been accepted in the past. They will appear abnormal instead of normal, and society, including the industrial captains, will have to assume a responsibility from which it and they were previously exempt. The gospel of general prosperity in this life will have to meet tests to which that of salvation in the next world, as a compensation for the miseries of this one, was not subjected.

Our Gold Is Out Of Sight



have continually shown.

A boy in that part of the United States this side of the Alleghanies and perhaps the Mississippi might have grown to manhood in the period after the Civil War without ever having seen a gold piece in current use.

Yet if he traveled east or west, to the older civilization, Europe, or the newer civilization beyond the Rockies, he found gold in everyday use.

Who can forget his visit to London—if it were made before the war—and the little thrill of gold passed over a counter for letters of credit or traveler's checks? Who can forget the solid worth that seemed to attach to the \$10 and \$20 gold pieces that he found in California?

Now there is scarcely a civilized country where gold is passed from hand to hand. Once habit and custom decided, and London and San Francisco, unlike in most things, were one in their preference for yellow metal. Now habit and custom have less to say. What gold there is in all parts of the world has sought safety in bank vaults.

We're still on a gold basis, but we can't have it by reaching into our pockets.

The World Moves



this family's training system.

"I have told my boys," John D. Rockefeller, Jr., has explained, "that if they want to go to college and work I shall be glad for them to go. I say that I do not demand that they be brilliant scholars; that I do not know whether they can be brilliant students, since I know very well that I was not. But I tell them that if they go I expect them to do the best they can do, honestly and sincerely trying.

"On the other hand, I point out, if they look upon

THESE United States of ours have, often enough, been accused of worshipping gold, but we have as a whole never had the reverence for it in actual use that other countries

THE third Rockefeller has walked into 26 Broadway to begin a business life. There are five boys in this third generation of Rockefellers, and here is the first "product" of

college merely as an opportunity to have a good time, to live well for four years in luxury and pleasure, then that does not appeal to me at all. If that is their idea, I think they had better not go to college. If that is the sort of opportunity they see in college education, the more quickly they go to work the better."

The point of view is not different from that of thousands of wealthy or well-to-do fathers; but stated in the words of the man lately called "the world's richest," the view grows more pointed.

Consider those who feel that great wealth confers only privileges—including the privilege of doing nothing save to seek pleasure. And here is a "multiple-multi" who would not even let his own sons "waste" the nation's educational facilities!

The world moves and what is more it moves forward!

Pressing Down the Peaks



THE year 1929 has been described as one in which the expected happened in an unexpected way.

Perhaps a record-breaking production of automobiles was one of the things expected. Certainly it happened. The Department of Commerce figures the year's output at 5,358,361 units, almost an even million more than 1928.

But was it expected that the same year would see a month which produced 622,000 cars (April) and another which produced but 120,000 (December)? That's extraordinary, of course, but in 1928 the difference was considerable—461,000 cars in the top month (August) and 232,000 in the low month (January).

Note please that the high and low months are not the same in 1928 and 1929.

Is this necessary? Alvan Macauley, president of Packard and president of the National Automobile Chamber of Commerce, thinks it isn't and says he can prove it—at least for his company. His remedy can be outlined simply: He and his associates figure out how many Packard cars will be sold in 1930 or any other year, divide it by 12 and produce that number each month. When the demand is large they draw on the store of cars made in the months of lesser demand.

Industry has long known that seasonal and uneven production was one of its grave evils, but it has been too willing to assume that it was inevitable.

"Straw hats are worn in July and galoshes in January. Therefore, straw hats must all be made in January and galoshes in July." That was about the way the argument ran.

But manufacturers, and there are many others than Mr. Macauley, are learning that things can be made with much less regard to the time when they are actually to be put into use.

One Modern "Menace"



the new form of retailing loomed as a menace to small independents. In the same spirit is much of the real or

fancied opposition to chains. At least part of the fight against the chains is inspired by the fact that chains are still relatively new. Fighting the strange is by no means new.

Back in the early Seventeenth Century, English economists were worried because of the advent of the stagecoach. One summed up the imminent decay of trade and manhood sure to result from the acceptance of that new vehicle under the heading "The Grand Concern of England Explained." All the unsatisfactory conditions of the country were laid to the "multitude of stagecoaches and caravans."

"These coaches and caravans are one of the greatest mischiefs that hath happened to the kingdom," he wrote. "They prevent the breed of good horses, destroy those that are bred and effeminate his majesty's subjects, who, having used themselves to travel in them have neither attained skill themselves, nor bred up their children to good horsemanship, whereby they are rendered incapable of serving their country on horseback, if occasion should require and call for same."

In addition, the writer points out, the coach lessens the demand for swords, belts, pistols, holsters and hat-cases.

They hurt the clothiers for while a person of quality and retinue would, in horseback days, have had to carry several changes of clothing, the stagecoach enables men to travel unattended, with only a "silk-suit" and Indian gown, with a sash and silk-stockings and a beaver hat for equipment. "The inns consequently suffer from the smaller size of the parties and the diminished appetites and thirst of the travelers."

Have we traveled far since the Seventeenth Century?

Sentiment In Advertising



IN Ottawa, Kansas, a local apostle of individualism who runs a grocery store addresses his customers through the town news medium in this vein:

LOOK HERE, GOOD OLD FARMER AND FRIEND:

Don't you know someone is getting a chain around your neck with a stronger and tighter twist every day?

This is a great dairying community. A strong chain creamery company bought out our local creamery a few months ago. You see now what your Butter Fat is worth—the wonderful sum of 25c per pound for first grade—right here in such a snow storm, and with feed high and scarce you will have to sell your cows very soon for about one-half price and quit. You know you are losing money every day you keep them.

It will be the same story in the grocery business if you don't stick close and tight to your old groceryman, who has helped you through fat and lean times. If it wasn't for the poor clerks in the chain grocery stores I would put every chain grocery store out of business in Ottawa in less than six months. Their system is unfair to their competitors and to the public. Let someone tell me if this is not true.

More pathos than logic is in such an appeal.

If it were not that the humor might seem too grim, we might suggest to the grocer that he go ahead and put the chains out of business, and then proceed himself to hire all the clerks that might be displaced at better wages.

On the following page of the newspaper in which the advertisement appeared are two other appeals. One

is from the country's largest chain grocery, and the other from the largest voluntary chain. The latter sell merchandise, not sentimentality.

New Theories For Old Thrift



THE Plain Talker came in the other day with a puzzled brow. The new economics was heavily on his mind.

"The trouble with me" he said, as he returned to his pocket an unwanted cigar, "is that I was born into the world too soon. I've just been reading a piece in the *Review of Reviews* by Earnest Elmo Calkins. I've read a lot by Mr. Calkins and I like him though I've never met him, but when he writes this I'm stumped:

Last year's state of mind, which led to such enthusiastic buying and gave the average American home such an extraordinary standard of comfort, was a product of advertising. It taught us to abandon the thrifty technique of older countries and of our own earlier days, the belief that "doing without" is a virtue. Enthusiastic Republicans give credit to ex-President Coolidge for our era of prosperity, but if the average citizen spent money as cautiously as Mr. Coolidge there wouldn't have been any era of prosperity.

"And somehow when I read that I thought of a pudgy boy of eight or ten who lived some forty years ago in an Eastern city. It was drilled in on him that 'doing without' was a virtue, a virtue as real as telling the truth or going to school or eating things you didn't like that 'were good for you.'

"I can remember that small boy—it was I of course—walking distances that made his short legs ache to save a nickel. And he wasn't allowed, mind you, to spend that nickel for something else. If any actual nickel figured in the transaction it went into a small iron bank made to look like a bank building with a chimney down which nickels might go, but up which they never came. And to this day that boy isn't sure what became of those nickels.

"And perhaps Mr. Calkins is right. I can think right now of a lot of things I could have done with that nickel. There was a tempting bakery right near us and the size of the sweet, rich, and I've no doubt stale and indigestible, pastry that could be acquired for a nickel would be unbelievable in these days of high prices.

"Yes, I guess I was born too soon. But I sometimes think my youngsters are headed the right way. If we ought to stimulate business by increasing consumption they're doing their bit."

Gain in Trade Conferences



NO BETTER proof of the acceptance by American business of the Trade Practice Conference as a means of bettering business can be found than this record:

In the 12 months ended February 28, 1930, conferences were held for 60 industries. On March 1, 1930, conferences had been authorized for 17 more industries and applications for 30 others were pending.

The Trade Practice Conference is not confined to big business or to little business. Every type of industry has come together in an effort to set up higher stand-

ards for the common good. Lime and naval stores; jewelry and cheese; meat packers and makers of concrete mixers are on the long list. The men who make toys and the men who make structural steel alike see in the Trade Practice Conference a way to better things in business.

The facts—the number of Conferences held and the number asked for—are the best answer to the critics of this form of self-government by business.

An Economist and the Chamber



A STUDENT of current economic and political problems, Harwood Lawrence Childs, professor of political science at Bucknell, has recently devoted a book, "Labor and Capital in National Politics," to a study of the Chamber of Commerce of the United States and the American Federation of Labor.

To those, if any there be, who regard the Chamber's Annual Meeting as a sort of genial gesture of good fellowship among business men, we commend this comparison by Professor Childs of the gathering with the quadrennial conventions of the major political parties.

In the former you find not political leaders aspiring for public recognition, clever in their ability to negotiate and compromise, trained in the patterns of a voter's mind, intriguing, manipulating and advertising, but business executives deeply conscious of certain practical problems facing them in their business. . . . These business men come not as representatives merely but as participants in a maze of industrial problems and conflicts, the outcome of which affects them directly. Their personal responsibility for the decisions reached will not end with the close of the convention and the wisdom, or lack of it, of the solutions broached cannot be successfully shifted to the shoulders of others.

A recognition, from a source without the Chamber, of the importance of the Annual Meeting to be held this year on April 29, 30 and May 1, at the Chamber's headquarters in Washington.

Never was there a time when there was more need for business to ask, as the Annual Meeting will ask, "What's Ahead for Business?" Never was there a promise of a more timely or a more helpful discussion of current and pressing matters.

Henry Ford, Monophagist



THE irrepressible Henry Ford has decided that it is possible to live to be 100 and that one means to that end is to eat but one kind of food at a meal. He eats a breakfast of fruit, a luncheon of protein and a dinner of starches.

He shuns tea and coffee as he has shunned tobacco and alcohol.

An apple at breakfast, a beefsteak at noon, a loaf at nightfall and most any one may be a centenarian. Mr. Ford has not ventured on this without trial. He has put the boys in his schools in Massachusetts and Michigan on this diet and they have thriven. To be sure, none of them has yet reached a hundred but that takes time even under Mr. Ford's educational methods.

The elder Rockefeller, too, is credited with a willingness, even a desire to be a hundred. He has one great advantage over Mr. Ford in the race. He started sooner.

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A Reporter Questions Mr. Legge

ROBERT B. SMITH

interviews the Chairman of the Farm Board

THE QUESTIONER: Robert B. Smith, a correspondent in Washington of the Philadelphia *Public Ledger*; not a politician, nor laying claims to any high rating as an economist, but like all reporters, intensely inquisitive, in short, a human question mark.

THE ANSWERER: Alexander Legge, formerly president of the International Harvester Company. Mr. Legge has had nearly 40 years' experience with the agricultural implement business. Now he is sharing in the greatest experiment in government activity in business which this country has ever seen.

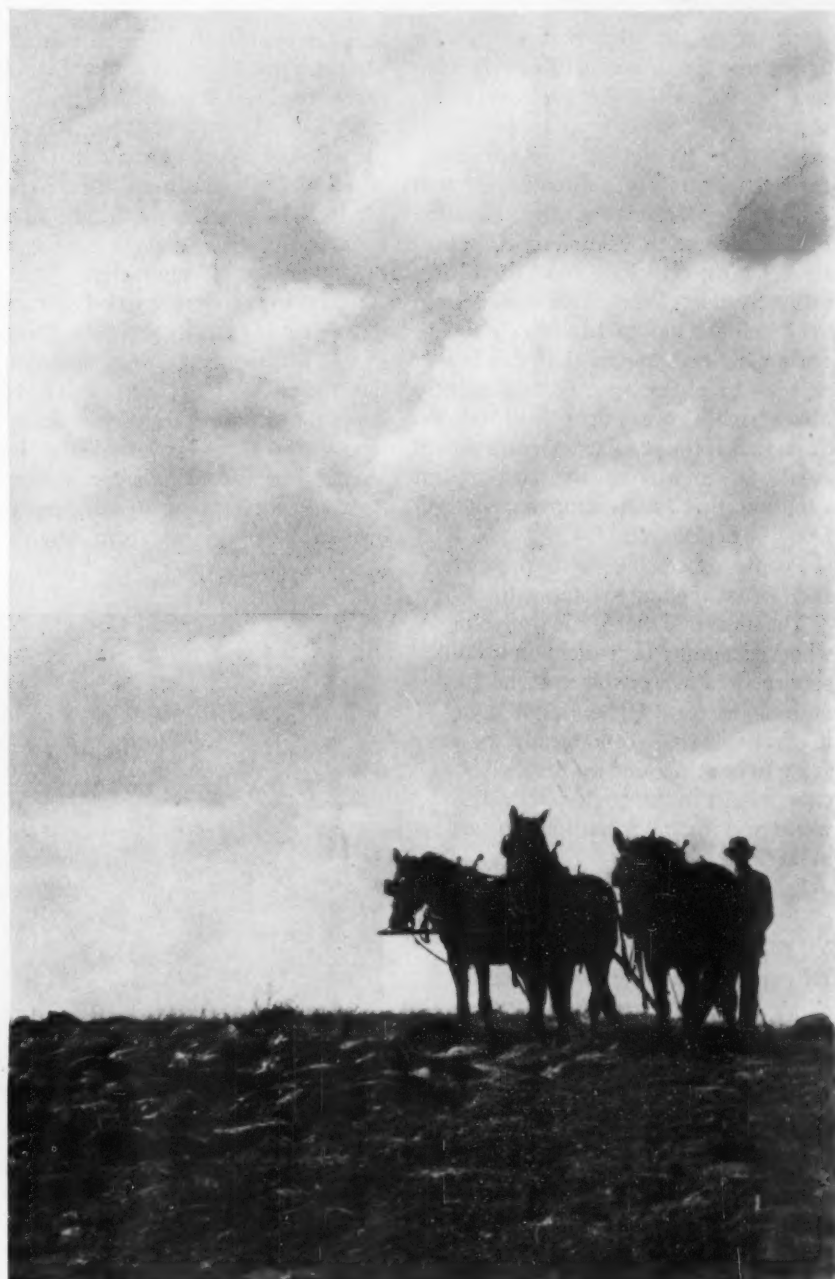
QUESTION BY MR. SMITH: The principal complaint of your critics seems to be that you are thrusting the Government too far into business. They ask, "Suppose the Government should enter into the making or marketing of farm implements?" Do you feel that this suggested action in any way parallels what the Farm Board is doing?

ANSWER BY MR. LEGGE: I will answer that in this way:

Good for the whole country

IN my opinion, the instance you use does not parallel the work of the Farm Board. If a condition requiring such action on the part of the Government ever did arise in the future, I would expect the manufacturers of farm implements to make the best of the situation and cooperate in working out a successful solution. And that is what I think we'll get now from enlightened business men. They see that what is good for the country as a whole is good for them too, and we are receiving increased assurances of support as our intentions become better understood.

In my judgment, what the Govern-



The farmer of the past has been the greatest individualist the world has ever seen. This independence has been fine, but it has been expensive

KABEL



IT IS impossible for NATION'S BUSINESS to arrange for each of its readers to sit down across a desk from Mr. Legge and question him concerning the working of the Federal Farm Board. The next best move is to let an experienced interviewer ask the questions the readers would ask if they had opportunity. Mr. Smith has done that

ment is now doing or trying to do for agriculture is only comparable with what has been done in the past for labor, through the restriction of immigration and other legislation; for industry, through tariff; for railroads, through railroad legislation and the operation of the Interstate Commerce Commission. I do not include the Federal Reserve System. While this has been a very definite aid to banking, it might reasonably be assumed that this benefit accrues to all citizens of the country alike. Again, we might with reason claim that if the present activities should result in improving the agricultural situation that such improvement will likewise benefit all.

People processing farm products ask, "What is going to happen to us?"

The answer is that if the processor, whoever he may be, is doing a useful service at a reasonable cost he has nothing to fear. If he is not doing it effectively and economically, he is going to be swallowed up. Inefficiency cannot exist in the modern industrial world and it cannot continue to exist in agriculture.

Adjustments needed

IN carrying out the purposes of the Federal Farm Act, some adjustments on the part of those now dealing in agricultural commodities may be found necessary to adapt themselves to new conditions. If that happens, it should be regarded as incidental to a changing business condition rather than an attack on anybody's business.

MR. SMITH: If this is good and proper for farm products why isn't it good for forest products or for coal or for any other industry that happens to need doctoring?

MR. LEGGE: I have never heard of

any proposal to assist in the marketing of forest products. As for coal, I recall suggestions made from time to time by responsible authorities who have studied the situation urging governmental regulation of the coal-mining and distributing industry. In times of acute distress, some of the suggestions, I believe, were of rather drastic character.

They were never carried out, as I remember it, largely because those in the coal-producing and distributing business themselves objected to it. Now, when the situation seems less acute, we hear little about governmental interference in the coal industry. I suppose the coal people prefer to work out their own problem in their own way.



HARRIS & EWING

ROBERT B. SMITH

Not a politician, not an economist, but a Washington correspondent with a reporter's curiosity and penchant for asking pertinent questions

MR. SMITH: Take the silver industry. Senator Pittman, because of the low price of silver, wants government interference. Unless the Government comes to the rescue, he says, the whole silver-producing industry will be ruined. Does this parallel the situation in agriculture?

Silver has less influence

MR. LEGGE: I do not believe the condition of the silver industry presents a reasonable parallel to that of agriculture. In the first place a relatively small number of people are engaged in the silver industry as compared with agriculture. Nearly a third of the population of America is engaged directly or indirectly in agriculture and the prosperity of the entire nation is more or less bound up in the prosperity of agriculture.

MR. SMITH: I recall reading that five senators asked the Farm Board to justify the Board's faith that the price of cotton was too low by increasing the maximum loan value from 16 cents a pound to 20 cents. Why shouldn't it? In short, why should 16 cents be fixed instead of 20 or ten? What is the right price at which you should loan and how do you determine it?

MR. LEGGE: There is nothing mysterious about the manner in which we determine the loan value of a crop. A limit must be fixed somewhere. Loans are based upon the best information we can obtain of the world supply and demand, leaving a reasonably safe margin of protection. We do not intend to jeopardize the Government's money any more than we find necessary and likewise we do not propose to load the farmer up with loans beyond his needs.

The basis of loans established on cotton and wheat, while not inconsistent with the best calculations which could be made at the time as to the supplies and probable demand, were placed on a level higher than would be considered sound by a private financial concern, for the express purpose of trying to steady commodity prices during the panic which was then taking place in the securities market. I think it is generally conceded, to some extent at least, that this venture has proved helpful.

Several of the major features of the Board's loan policy are determined by law. For instance we have this provision in the Agricultural Marketing Act in regard to loans for physical facilities:



ALEXANDER LEGGE

UNDERWOOD & UNDERWOOD

● Former president of the International Harvester Company. Now, as the chairman of the Federal Farm Board, he is participating in the greatest experiment in government activity in business that has ever been carried forward in this country

No loan for the construction, purchase, or lease of such facilities shall be made unless the Board finds that there are not available suitable existing facilities that will furnish their services to the cooperative association at reasonable rates; and in addition to the preceding limitation, no loan for the construction facilities shall be made unless the Board finds that suitable existing facilities are not available for purchase or lease at a reasonable price or rent.

In the matter of interest rate, we are specifically directed by the law. Every loan has been made at the rate provided in the Act, the exact rate for each day being furnished by officials of the Treasury Department. That rate, as provided in the law, is "equal to the lowest rate of yield of any government obligation bearing a date of issue subsequent to April 6, 1917."

Any additional interest charge is made, not by the Board, but by the cooperatives themselves to their own members, and should it exceed their actual cost of operation, the surplus belongs to the farmer borrowers through their cooperative association.

Interest is near commercial rate

RELIABLE bankers will tell you that this additional carrying charge to meet

expenses incidental to the loan and to provide a sinking fund against losses that are almost certain to occur will amount to at least one per cent. Thus the total rate of interest to the farmer borrower, through his cooperative, will be little different from the ordinary commercial rate.

MR. SMITH: What makes agriculture so different from other industries that it needs special help?

MR. LEGGE: Agriculture has lagged behind other industries in the general progress of the country. In seeking the reason for this, the best answer, in my opinion, is "lack of organization." We have six million farmers, all, or nearly all of them, competing with one another in a buyers' market, in which the buyers are comparatively few.

Agriculture has operated as an unorganized enterprise trying to compete with highly organized effort in other

industries. The pronounced tendency in other industries, particularly in recent years, is toward larger groups and consolidations in which many minds collectively determine policies and plans and follow them through. This distinct difference between agriculture and other industries is apparent nearly everywhere in the world, though perhaps in most countries it is not so pronounced as in the United States.

Farm profits have been low

FOR many years, farming generally has not shown an operating profit. The prices farmers have received for their products have not advanced in proportion to advances in the prices of other commodities. Prices of many farm commodities, in fact, have remained below pre-war levels for long periods. The

(Continued on page 234)

SINCE LAST WE MET ★

FEBRUARY

- 11 • GRAIN** Stabilization Corporation (with government funds) starts buying wheat. May wheat 1.23 1/8.

- 12 • B. & O. ACQUIRES** the Buffalo Rochester and Pittsburgh in order to shorten its New York-Chicago route.

STONE AND WEBSTER buying Engineers Public Service Company and rumors that they would get out of the public utility field.

- 13 • THE MELLON** interests through the Koppers Company (coke and gas) buy a part of United States Electric Power. Wall Street gossipers see the Mellons as figures in public utilities comparable with the Morgans and the Insulls.

HARRY SINCLAIR takes what he calls "a backward economic step" and reduces crude oil 25 cents a barrel to meet Standard of New York and New Jersey.

- 14 • NINETEEN** California oil companies including Standard, Texas, Shell and Richfield, sued by the United States as maintaining an unfair price on gasoline.

SAVINGS deposits dropped \$195,000,000 in the year ended June 29, 1929. They went up \$2,300,000,000 in the year ended June 30, 1928. First drop in 20 years. Fewer deposits also. Stock speculators blamed.

- 15 • DEPARTMENT** of Agriculture predicts higher wheat prices in the next few weeks.

- 17 • WHEAT** prices go down.

NATIONAL Automobile Chamber of Commerce says auto makers will spend \$15,000,000 to scrap 440,000 cars to make driving safer and incidentally help sell new cars.

GENERAL MOTORS announces at the St. Louis air show a plan for instalment selling of planes.

BILL for old-age pensions introduced in New York legislature. All over 70 affected. Would cost \$12,400,000 a year.

CLASS I Railroads had a net operating in-

FEBRUARY

come in 1929 of \$1,275,000,000 as compared with \$1,194,500,000 in 1928.

- 18 • JULIUS H. BARNES**, chairman of the Business Survey Conference, says "the danger of a long depression appears fairly over" and Secretary Lamont reports gains in the construction of public works.

- 20 • EATON AXLE** and Spring, Wilcox-Rich, makers of valves, etc. for motors, to consolidate. Former also buys Peterson Spring Company.

BUREAU OF MINES announces world production of petroleum in 1929 as 1,488,000,000 barrels, a gain of 12.4 per cent over 1928. The U. S. produced more actually but less proportionately.

I. C. C. APPROVES the unification of the Great Northern and Northern Pacific if they'll give up the C. B. & Q. The presidents of both roads protest that their entrance to Chicago is by the Burlington.

MARSHALL FIELD and Company for the first time offer stock to the public. James Simpson is made chairman and John McKinlay, president.

- 21 • STANDARD** of New York and Vacuum Oil to merge. Assets about a billion. They were parted by the Supreme Court in 1911 when Standard Oil was dissolved. The Government will bring suit to find out if the action is lawful. Other Standard mergers may follow.

- 24 • BUILDING** Trades employers and unions report from 40 to 50 per cent unemployment in New York City. Cotton under 16 cents lowest since May, 1927.

B. & O. WITHDRAWS its proposed trunk line, preparatory to submitting a new one in accord with the I. C. C.'s plan.

THE BANKERS' pool to support the stock market organized on October 24 and headed by J. P. Morgan & Co. announces that it has sold the last of its holdings. It made a little money, too.

AMERICAN CHEMICAL Society says

A Business Record February 11 to March 9

FEBRUARY

the balance of trade in export and import of chemicals was with the United States for the first time in 1929.

WHEAT slumps but the slump is halted when the Farm Board's Stabilization Corporation starts buying. Cotton and cocoa and sugar and silk and rubber go down, too, and stocks sag with them.

- 25 • THE MARINE Midland Corporation, a merger of 17 New York State banks gets a foothold in New York City by buying the Fidelity Trust Company.

- 26 • WHEAT up again. Farm Board continues to buy wheat from cooperatives and invites sharp criticisms from the Senate for what it did do and what it didn't do.

- 27 • FORTY-FOUR railroads report January net earnings at 23.4 per cent below January, 1929.

GATES W. MCGARRAH and Leon Fraser named American directors of the Bank of International Settlements.

- 28 • WHEAT nears Farm Board's loan price.

MATTHEW S. SLOAN, president of Brooklyn Edison, reports to President Hoover that electric gas and street railway companies will have spent \$305,000,000 by March 31—12 per cent more than they spent in the first quarter of 1929

TRADING in hog futures begins on the Chicago Livestock Exchange.

MARCH

- 1 • NEW FINANCING for February was \$366,000,000 as against \$1,020,000,000 in February 1929.

CHAIRMAN LEGGE of the Farm Board says that body will "discontinue buying grain on the arbitrary loan price basis." He and Secretary Hyde feel that they stayed a panic.

THE New York Times' list of 240 stocks showed gains of \$725,000,000 in value in February. The same stocks gained \$1,500,000,000 in January and \$260,000,000 in

MARCH

December. They lost \$15,000,000,000 in October and November.

- 2 • NATIONAL CITY BANK reports that corporate profits showed a gain in 1929 of 13 per cent over 1928 and 39 per cent over 1927. Reports of 1509 corporations showed net profits of \$6,590,000,000.

- 3 • WHEAT drops sharply following the Farm Board's decision of March 1.

- 4 • SECRETARY OF LABOR DAVIS put unemployment at 3,000,000, less than "one half that of previous crashes."

- 5 • THE PRESIDENT sends to Congress a plan for Germany's payment to us of about 3,000,000,000 marks in 52 years.

- 6 • FARM BOARD says it will continue to buy wheat through the Stabilization Corporation. Hopes to get price back to the \$1.18 loan price. Reported to be ready to take control of 150,000,000 bushels.

BANK OF ENGLAND cuts its bank rate to 4 per cent. New York Federal Bank keeps its rate at 4 in spite of expectations that it would reduce to 3½. Call money at 3½ lowest since January, 1928.

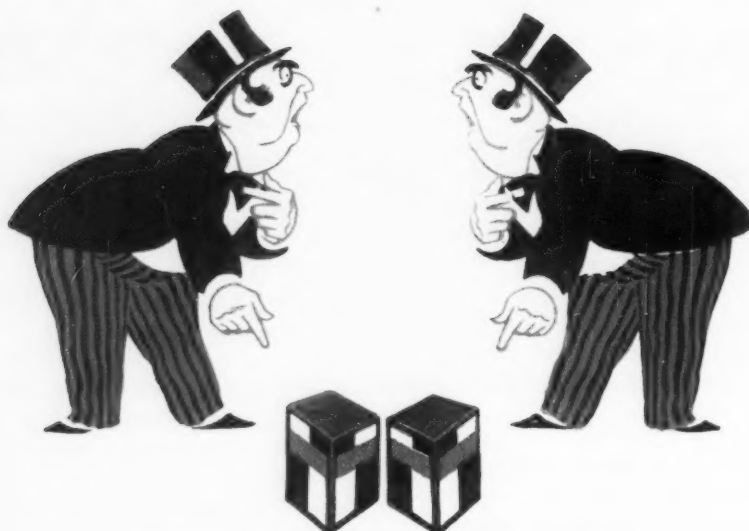
- 7 • PRESIDENT HOOVER after a talk with Secretaries Lamont and Davis says unemployment will be better within sixty days. Mr. Davis thinks that the unemployed are at most 1,250,000 more than a year ago. Depression is passing.

EXCHANGE of checks in clearing houses of 187 cities for February was \$42,500,000,000, a shrinkage of 17.6 per cent from January, 1930 and of 22.3 per cent from February, 1929.

- 8 • THE PRESIDENT asks Congress for \$100,000,000 for the Farm Board. The Board has already had \$150,000,000 as part of the \$500,000,000 authorized by the Agricultural Marketing Act.

- 9 • MERGER of Bethlehem Steel and Youngstown Sheet and Tube taking shape. Assets of the two will be about \$1,000,000,000.

Some of the Things That



Observe the quarrel between the manufacturer and the wholesaler over private brands



THE business of food distribution is generally called a system. Unfortunately it is not. It is a mess.

Anyone who doubts this may look at the charts of distribution processes in the report of the Joint Commission of Agricultural Inquiry, composed of members of the House of Representatives and of the Senate and submitted to Congress by Sydney Anderson, who was, at the time (about 1918 to 1919), chairman of the Commission that made the investigation and the Congressman from Minnesota.

The diagrams of distribution look like spiders' webs or fishermen's nets. They are designed to trace the progress of the necessities of life from producer to consumer, but only a genius of geography can follow the intricate lines and understand their meaning.

To add to the confusion, what is called integration has been taking place more rapidly and in greater degree in the last few years. Wholesale grocers began merging their firms promptly after the decline of prices in 1921 and 1922. Chains started merging a few years ago and have been at it ever since.

They are developing a few large systems, which are beginning to collide with each other in competition. More re-

IF THE food industry does not discipline itself, in this writer's opinion, it is in grave danger of government regulation. Only the most serious difficulties could justify such a statement. Regulation of the food industry would, in effect, be regulation of all of us, since we all buy food. We need to know these difficulties and who is to blame for them. Mr. Foster describes them and offers his own personal suggestions as to how they may be removed

cently the manufacturers have begun to acquire each other, until now there are three or four large combinations and nobody knows who will be sold out tomorrow or who will make the next purchase.

The causes for the conditions may be easily stated but not so simply explained. First of course is competition, which, as it has grown keener, has led to more extreme price cutting. Whose grandfather, if he were called back now, would be familiar with the grocery trade today as compared with what it was when he knew it?

He would remember the days when

retail grocers called at the warehouse to select their goods for the next month or so. In those days the wholesale grocer considered the retailers as his peasants, to be exploited to the utmost of his ability.

Grandfather would find chain stores, which he had only heard about, all over the map. He would find a strange development of independence among individual grocers, which has led them to form groups for cooperative buying, for purchasing old wholesale grocery establishments or for forming such firms of their own.

Above all, he would find a bewildering number of units of every kind in the industry. What would he know of automatic vending machines, quickly frozen goods and grocery stores into which customers drive their automobiles and serve themselves, or are served, without getting out of their cars?

Competition is keener

OUR grandfather would see many new forces at work in the industry. He would be puzzled to guess the ultimate outcome. Among these forces he would find competition, chains, voluntary chains, vast numbers, meat packers, conflicting

Plague the Food Industry

By H. M. Foster

Editor, Food Department, New York Journal of Commerce

CARTOONS BY LOUIS FANCHER

brands, and violent prejudices. To tell how each one of these has become so powerful would require a story for each, and the history of every one would show an effect on that of every other.

Competition has become keener, not only by the law of the survival of the fittest, but also because of the great number of all kinds of dealers, because of the development of chains and because of the intense conflict of brands.

Chains teach independents

IT MAY be said that ignorance and inefficiency of many individual merchants has caused the chains' rapid growth. But in fairness this must be said of wholesalers as well as of retailers, and whatever the independ-

ents think of chains, the more enlightened among them admit frankly that chains have been the best teachers of wholesalers and retailers. Severe competition has forced the independents to reduce inventories, cut expenses, keep cleaner and more attractive stores, use price tags and to do a dozen other things which have made them better merchants.

To the chains also must be attributed the remarkable growth in the last two or three years of the voluntary chain, which is an imitation of a regular chain, except that the individual merchant retains ownership of his store. A wholesale grocer, we will say, finds that his customers can no longer successfully compete with chain stores, while he continues to hold them in his credit clutches, as his grandfather did, and strives to overload them with goods.

Out-chaining the chains

HE admits that times have changed even in the grocery business. He tells them to paint all their stores alike and to put the same sign over all doors, with the individual name in small letters below the common names. The stores are cleaned up inside and out and well lighted. In fact, everything is done that a chain store does except the surrender of individual ownership. The retailer promises to buy all, or almost all, of



Grandfather, if called back now, would be surprised to find so many new forces, of which he had never heard, battling each other for supremacy in the food industry

his goods from one wholesaler, and in return the wholesaler's salesman becomes a supervisor and teaches the retailer how to out-chain the chains.

Leading men in grocery distribution consider these voluntary chains the most interesting and promising experiment of recent years. In all, there are said to be about 450 voluntary groups with some 65,000 retail outlets, and these are believed to do 35 per cent of the country's total grocery business. In number of stores and volume of sales they now equal the regular or old-fashioned chains.

A chain of independents

THE Independent Grocers Alliance of America with, according to the latest report, 54 wholesale firms, 8,000 retailers and annual sales of 550 million dollars is the largest voluntary chain in the country and is now next in numbers and sales volume to the largest chain in the world.

This is the way some wholesalers and retailers have answered the competition of the chains. In a sense the regular chains may be said to have caused the voluntary chains. The situation raises several interesting questions. If the wholesaler is to attain such control over his retail customers as the regular chain

headquarters has over its stores, will the voluntary chains have to become regular chains? In that case will the so-called independent retailers have to surrender their individual ownerships? If they do, will something inherently advantageous be lost?

Present plans have greatly reduced costs of doing business and profits increased correspondingly. Will the retailers sacrifice this certain benefit for the uncertain one of forming their own warehouse and central headquarters, as they have done with marked success in many places and for many years? The National Chain Store Association has invited the voluntary chains to enter its membership. Will the combined wholesalers and retailers accept this invitation and so lose something of their independence and individuality?

Next comes the eternal question of numbers. Are there too many retail and wholesale grocers? Are there too many manufacturers? There are some 350,000 to 400,000 retail grocers, about 5,000 to 6,000 wholesale grocers and between 60,000 and 65,000 manufacturers. These enumerations do not account for canners, brokers and chains, of which there are supposed to be something like 5,000; 2,000 and 65,000 units, respectively.

The records show an increase for several decades of all units disproportionate

to population, with the result that, theoretically, each merchant has fewer customers than his father or grandfather had.

It is all very well to say that there are too many or too few, but nobody has yet found any practical means of restricting numbers. Indeed, the accusation that wholesale grocers, by unduly extending credit, have made it too easy to go into business has been one of the most serious and unanswerable charges against them. How are we going to restrain the normal human ambition to go into business for one's self?

Perhaps some licensing system based on a simple proof of fitness would have the desired result. That method has been in effect in Great Britain for some years and has been considered satisfactory there, but the suggestion has been called un-American. In France chain stores are taxed merely because they are chain stores, but the same proposal has been declared unconstitutional here. Under present circumstances, we shall probably have to struggle along as best we can with our ever increasing numbers and let economic laws take their course.

The large meat packers have contributed to the troubles of the food industry. About 15 years ago President Wilson ordered the Federal Trade Commission to investigate the meat-packing industry, and when the result was submitted to him he was reported to have said that he feared to have such power as the findings indicated in the hands of a few men even if they were angels.

Packers quit

THEN, with criminal charges pending against them in the federal courts in New York and Chicago, the packers signed the "Packers' Consent Decree," by which they promised to divest themselves of all kinds of business unrelated to slaughtered animals. They were at the time in more than 300 different trades. Since the ratification of the decree they have tried every legal technicality to have it set aside. Having failed in these efforts, they have now petitioned the Supreme Court of the District of Columbia to have the decree voided on economic grounds.

The economic grounds, as stated by the packers, are the great changes in methods of

(Continued on page 186)



Cattlemen are warned that the chains are becoming so powerful that they will soon be in a position to dictate prices to be paid for meat on the hoof

We Prosper in Spite of Ourselves

By W. T. GRANT

Chairman of the Board, the W. T. Grant Company

CARTOONS BY O. E. CESARE



LEST it be said I am a preacher, let it be understood that I am a graduate of that great institution, the University of Hard Knocks. As such I appreciate that it is the general saying that so-called successful business men rationalize their experiences and become impractical, half-way philosophers and economists.

I admit that I know only such philosophy and economics as are taught in my university, but my life, my heart and my fortunes are bound up indissolubly in American business. In looking at American business I suspect my viewpoint is much the same as yours, whether you are the "hard-boiled" manufacturer who anonymously gives a thousand dollars a year to help crippled children, the "profit seeking" merchant who is the backbone of the local hospital, or the young "forward-looking" business man who as yet has not shaped his life in any definite class.

In the progress of American business, both as to ideals and methods, lies much of our future success and satisfaction in life. American business has been praised to the skies and the whole world nearly is tending to follow the policies and methods which have been partly responsible for our progress. Perhaps by comparison with business in other countries we are wonderful, but the success created in America is merely the background for the next step

lems, using vision and foresight which is remarkable only in that we get much better results on the average than we have any right to expect, and often we cannot even see the common ground on which we all stand.

Paradox of high wages

LET us take the matter of our prosperity. True, it is the marvel of this or any other age. Europeans are amazed that it comes through lowered costs accompanied by higher wages. We are quick to take the credit for that condition. A friend of mine returned recently from Washington where he attended a large gathering of leaders in industry.

At a discussion when those present were congratulating themselves on helping to bring prosperity to the country, one of the men said:

"I have attended many meetings of this group and others in the last two years and to my knowledge never has the economic advantage

of higher wages been considered. Now that it has been forced upon us and has disproved our previous notions that it was harmful to business, we are willing to take the credit for it. Business is just beginning to see that in maintaining

● THE whole world is attempting to follow the policies credited with bringing America's amazing prosperity. But when we boast of having formulated those policies, we find a friendly critic in disagreement. The policies were forced upon us, he says, prosperity is largely luck and business isn't even always intelligent

forward which will still keep us well out in the lead.

As a matter of fact, if we stop to consider, we know that, to a surprising degree, business is not even intelligent. We grope around for solutions to prob-

high wages, it maintains good markets."

With all their alleged foresight and remarkable ability, business men were unable to see that a more uniform condition of prosperity was desirable. It was forced on them.

But with all our defects, American business men have made tremendous strides since the day when the buyer really had to beware. In some places I worked in the old days we charged all the traffic would bear. Our suppliers and manufacturers did the same thing.

We just couldn't exist on that basis today. Business men are asking more and more, "Why is Business?" Certainly business is no end in itself. It is merely the means to something, part of the mechanics of living. Only as production and distribution contribute to fuller life are they successful. When a manufacturer or merchant thinks of all

people and all other business only in terms of his own selfish problem he has lost his aim and is trailing the procession of American business progress.

Better coordination needed

BUSINESS must approach still closer to what has been called the spirit of industrial coordination but that term does not fully describe what I have in mind. Cooperation is not enough, although it is a move in the right direction. The nearest approach to what I think will be the next step in American business is in the shoe industry.

A well-known manufacturer and a retailer of shoes have an agreement by which shoes are manufactured and sold at retail for \$4 a pair, of a quality which ordinarily sells for \$5 to \$6. Under the agreement the whole transaction is con-

ducted on a cost basis and the manufacturer and distributor divide the profits.

That manufacturer pays higher wages than anyone in his line and has the lowest cost of production per pair. He has reduced operating costs between ten and 15 per cent. He has eliminated fluctuations of production schedule. He has the choice of the best labor in his district. Guess work is eliminated, because he knows at all times the exact requirements for a month or more in advance. He turns his merchandise investment between 20 and 30 times a year, and his whole capital approximately ten times a year.

The relationship between the manufacturer and the distributor is so far in advance of the usual conflict between two branches of industry that it eliminates all necessity of considering competition. The energies of both are focused constructively on giving the public the utmost in value. The extraordinary success of both manufacturer and distributor under this plan is to my mind one of the miracles of modern merchandising. How can the old-fashioned type of doing business with all its conflicts of interest compete with such a fine example of coordination for the benefit of the consumer.

Cooperation that helps all

ONE of the glorious phases of the whole business is that the men in this enterprise do not fear that competitors will learn what they are doing. They tell exactly what they are doing so that anyone who chooses may profit by their example.

This is only one of the many constructive and fascinating examples of industrial coordination to be found today in every branch of industry.

In my own company we are a long way from perfect, but we have experimented with several problems along these lines. In one instance we recognized that American women had less and less inclination to make their own dresses but were hampered in the desires for new house dresses because the only garments available in the lower price ranges where most people do their buying were a sort of a tubby poncho which could hardly be called a dress.



We have lots of mahogany furniture and tall buildings but price haggling still proves that we haven't advanced far from the stone-age way of trading

So we called together our cloth manufacturers and discussed manufacturing costs with them, including a reasonable profit, and we went to our dress manufacturer with designs of new styled dresses and figured his costs. We then added in our costs and by making the necessary adjustments in conference together, we produced house dresses which were full cut, fast colors, and highly styled, to sell for one dollar.

How foolish the ordinary price haggling is! It merely proves that we have not advanced so very far from the stone-age era of trading. True, we have lots of mahogany furniture, machines to add for us and tall buildings, but too many of our activities are based on the same ethical principles which actuated the money changers who were thrown out of the temple.

The idea of a producer and a distributor pitting their best energies and thought against one another in an attempt to grind from the other some temporary advantage is little short of ridiculous. The consuming public whose benefit all business activity must eventually consider is entirely omitted from their considerations. How much more rational it would be for those who make merchandise and those who carry it to the public to sit down together and figure out what the public wants and needs, and then decide on the best and cheapest way to meet that need.

"A new sort of competition"

SOCIALISTS preach equality of income by law, but incomes cannot be standardized any more than individuals can. I plead for a more equitable state of things which will make the poor less poor and the successful supplier of people's wants no less rich. Instead of competition for a share of the other fellow's dollar, let us try a new sort of competition in which each tries to outdo the other in approaching a more perfect accomplishment of his own function. When a man begins to think along these lines the dollars come faster than when he thinks about dollars alone.

Mass producers and mass distributors between them have a particularly fine chance to contribute something new and splendid to the economic history of the world. A start has been made, but there



In proportion to its ability to adjust itself to the consumer's needs and wishes shall business in America prosper

is a great distance still to travel. It is not uncommon for a big distributor to work with the manufacturer in designing a product which can be marketed more cheaply than would be possible were there no such coordinated effort. Every time the price of a single article is permanently reduced those responsible are giving the consumer the equivalent of an increase in income. Can anyone doubt such results?

Another benefit of such coordination is in the decreased time it takes for a product to get from the maker to the user. The remarkably efficient management of our railroads and hand-to-mouth buying together with the increase in chain-store distribution are factors in this.

The next time you spend a dollar for half a dozen small articles, it might be interesting to remember that they probably took half as long to get into your hands from their starting point as they would have but a few years ago.

The advantages here are great, because millions of dollars are released for other enterprises, which, under the old system, were resting idly on merchants' shelves or under the counters and on freight trains several times as long as they do today. Of course, the public is the chief beneficiary of this faster system of distribution. It is quite possible that time will come to be considered more important than it is now in the more searching inquiries into the problems of distribution which the future

is sure to bring. The transportation systems will contribute still more by reducing loss and breakage in transit, expediting claims and eliminating costly errors.

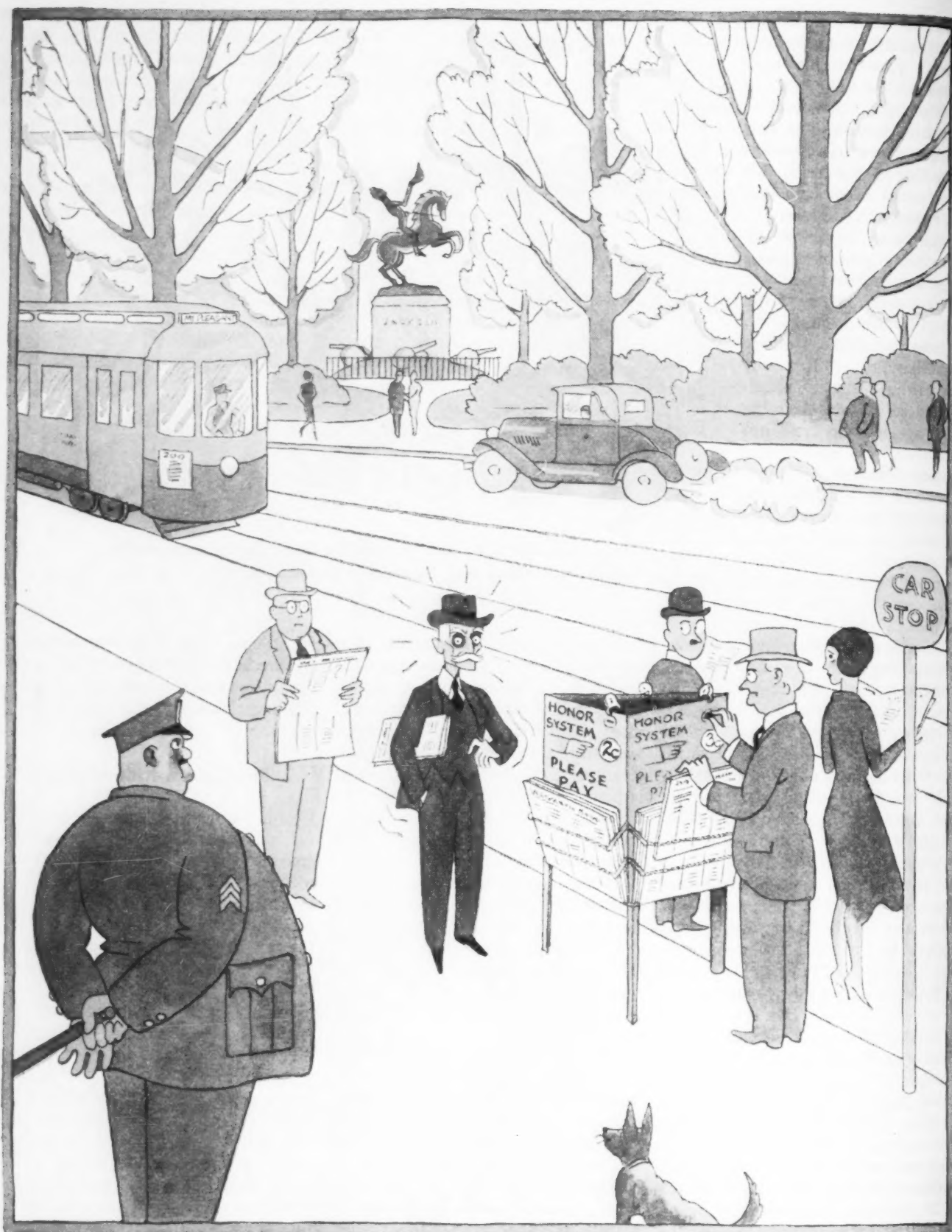
The Golden Rule applies

WELL reasoned adjustments without the industrial order, each taking into account the rights and welfare of others, will work for a stronger, more cohesive structure than any selfish insistence on personal rights. This is just as true of the small business unit as of the large one. The consumer is the silent partner to both distributor and producer, and he always casts the deciding vote. Unless he is counted in on the division of dividends, there won't be any for long.

Approximately 80 per cent of the people in our country have incomes of \$2,000 or less. Only eight per cent exceed \$5,000 a year. That means that we still have far to go in bringing prosperity under mass production. In spite of the fact that the individual income of such a great part of our people seems small we have such a great population that the total income is great.

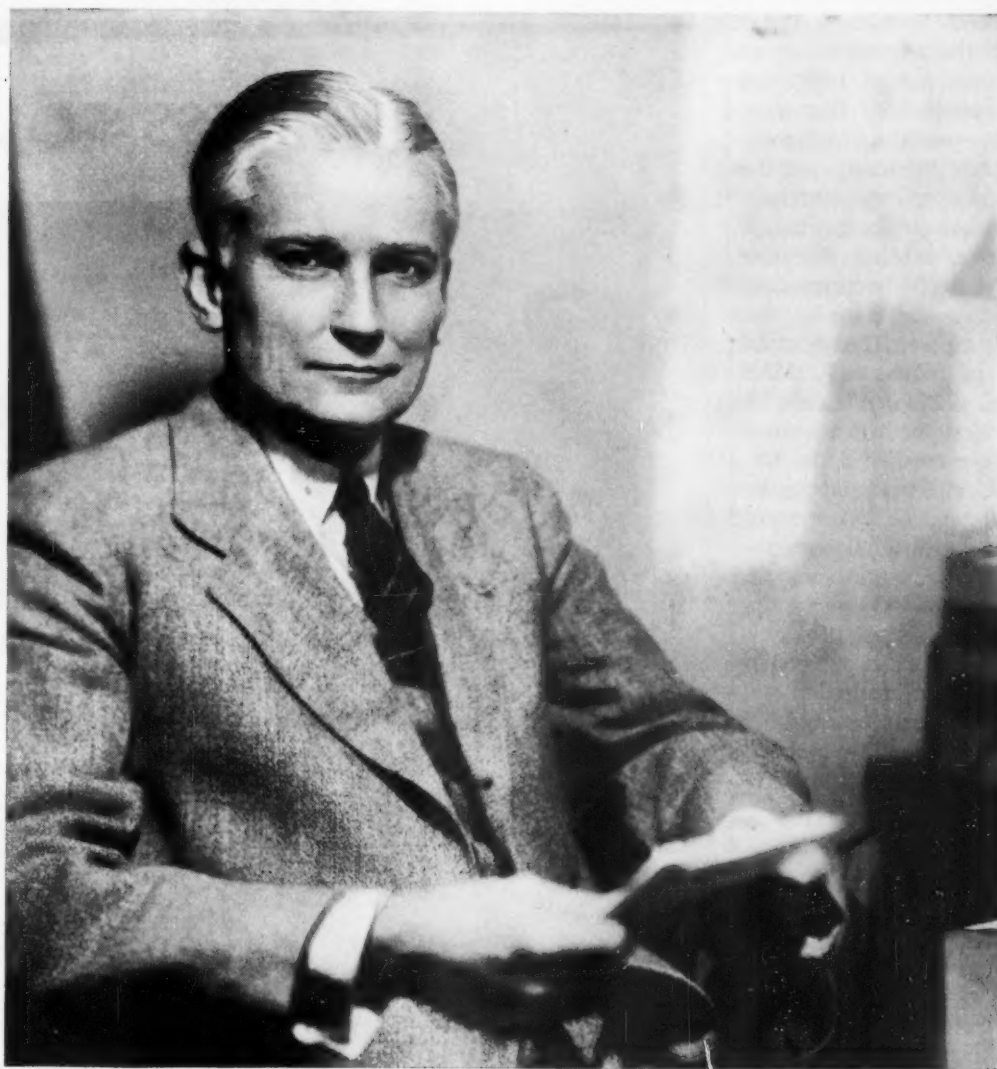
Ford and Woolworth were among the first to sense this elementary truth. Supplying those of small incomes with needed merchandise was a contribution of great worth to the nation's wealth. In building his Model T car, Ford paid out more than 700 million dollars to

(Continued on page 194)



2 • Embarrassing Moments in the Lives of Great Business Men—By Charles Dunn

- ★ The Honorable Andrew Mellon, Secretary of the United States Treasury (annual receipts \$4,033,000,000) and former head of the Mellon National Bank (resources \$190,000,000), buys a paper on the honor system, and finds that he has need for two cents cash and has no place to borrow it



UNDERWOOD & UNDERWOOD, WASHINGTON, D. C.

For 30 years Senator Bingham has been a student of government

Let the Air-Minded Rule the Air

By HIRAM BINGHAM

U. S. Senator from Connecticut

As told to Raymond Willoughby

THIRTEEN years ago I asked Glen Curtiss if he thought I could learn to fly.

The war was coming on. I was 41 then.

"Can you sail a boat?" he asked.

I told him I could. Sailing had been my favorite sport since childhood.

Well, I learned to fly.

But the point I want to make is that he didn't ask me whether I could drive a car or run a locomotive. As he well

knew, flying has little in common with the operation of land vehicles.

That fundamental fact holds the crux of the whole agitation for more regulation of commercial flying. The pilot of a plane has more in common with the captain of a ship than with the engineer of a train.

Everyone would at once see the inappropriateness of putting a group of railroad experts in control of our merchant marine. But the idea that they

should regulate aviation is just as fantastic.

Only men experienced in the ways of the air can see that distinction, I suspect. The public is inclined to smile tolerantly at the aeronautical industry's desire to have its own kind at the official helm—but it doesn't understand that the feeling is more than a prejudice.

For my part, I believe that the Department of Commerce is carrying out its congressional mandate with general

effectiveness. I know that the industry is satisfied with the administration of the Air Commerce Act of 1926, and I feel that the public has entire confidence in the measures the Government has taken to assure the safety and the security of passengers, mail, and merchandise entrusted to air transportation.

But does any one think that this effectiveness is a mere happenstance? The sound growth has all come by plan and persistent purpose. The practical air-mindedness of William P. MacCracken, Jr., and of Major Clarence M. Young—to mention the two war-time aviators who have conducted the Department of Commerce aeronautics branch—was a dependable guarantee of sympathetic and intelligent interpretation of the legislation Congress enacted.

Through that Act of 1926 we are doing for aviation just what the Government has long been doing for the ship operators—providing an inspection and licensing service, setting up beacons and lights, marking routes, and supplying information on weather conditions.

Ships are free to go and come

BUT we have no interstate regulation of our merchant marine. We lay no extra rules on a ship operating between New York and Galveston, say, or between San Francisco and Seattle. We don't try to tell the ship managers what they shall charge for a long haul or a short haul. We don't say you must run so many ships a day and specify the places they shall stop. We don't attempt to tell the operators what is a fair return for their investment. And we don't clamp a stiff tax on them, and then gnaw into their incomes with a "recapture clause" if they are able to get above the allotted return. True, we did pass an act which laid down some conditions of employment aboard ship, but in the main we have observed a hands-off policy.

Naturally, you ask why we regulate railroads and not ship lines. The answer is plain enough. The public once owned the land on which the railroads now operate. We come to the question of eminent domain. If you gave up something to which you once had title, you would expect to get something in return. The railroads got a monopoly in the use of designated lands, and the public got regulation of the roads. It wasn't so easy as that, of course.

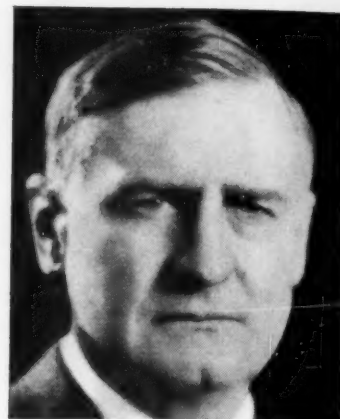
No matter whether the "public be damned" policy was ever put in so many words, it had enough substance to cause a momentous change in our national policy. Public opinion was outraged by the indifference and contempt-

BUSINESS FOLK IN



STYLIST

Keeping tab on fashion for manufacturers is the job of Virginia Hall, of Lewis and Hall, New York



REMAKES CALENDAR

Many are watching Sears, Roebuck trial of 13-month calendar. Meet R. E. Wood, Sears president



NEW LINE

American-South African Line, J. A. Farrell, Jr., president, opens New York-Africa passenger trade



POST WITH POLES

Charles S. Dewey formerly was an Undersecretary of State. Now he is financial adviser to Poland



HELLO WORLD

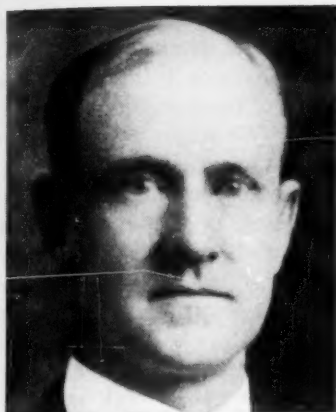
This is W. K. Henderson who castigates chains via Station KWKH, Shreveport, and takes mail orders



RELIEF WORKER

Allen Northington is the head of the \$30,000,000 government cooperative to relieve cotton raisers

THE MONTH'S NEWS



FOR LABOR

Henry P. Kendall, with textile mills North and South, tells industry to stop exploiting labor



CURB BUILDS

The New York Curb Exchange plans a new home, to cost \$10,000,000. W. S. Muller heads it



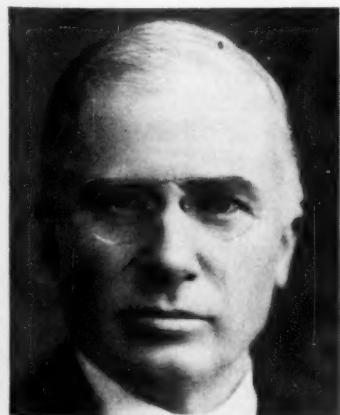
ON HIS OWN

Carl Gray, Jr., refused a Union Pacific job under dad. Now Junior is M. S. C. & O. vice president



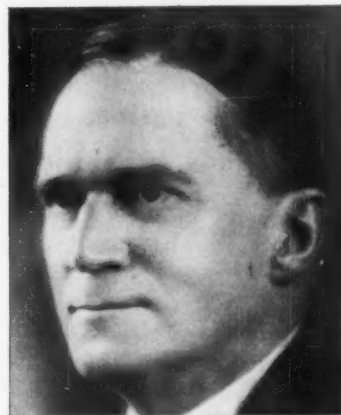
LIKE FATHER

L. M. Giannini, like his father, A. P., is a banker. He succeeds his dad as TransAmerica president



HONORED BY LABOR

Baltimore labor bodies banquet Daniel E. Willard celebrating his twentieth year as B & O head



SNOW FIGHTER

T. H. Barnes, McGill University, produces snow-melting chemicals. His hobby is blowing up icebergs

tuous negligence of some of the rail magnates. That state of mind made history. Having consented to land grants and handed over the title in the national domain—in many cases through condemnation proceedings—the public demanded that its rights be protected.

The Interstate Commerce Commission was established to see that the public gets a square deal from the railroads in return for yielding up its right of eminent domain.

If a citizen can be hauled up for trespass on a right-of-way that once belonged to his forebears, isn't it fair that he should have some assurance that rail rates will be within reason and not "all the traffic will bear"?

If this monopoly of route and way is to be made acceptable in the public interest, schedules and service must conform to an intelligent idea of public convenience. So we have gradually gotten accustomed to having the Interstate Commerce Commission supervise the rate structure, the issuance of railroad securities, safety work, and now, the matter of consolidations.

Even so, I see no present need for an Interstate Commerce Commission to regulate aviation. The public has surrendered no part of its birthright to the air transportation companies, and the question of liability does not require, in my judgment, the assignment of a new authority for its adjustment.

Consider the differences between railroad operation and ship operation. A municipality may allot pier space to a steamship company, but it can revoke that privilege easily enough—and that situation wouldn't make much difference to the company. Steamship companies usually have no investment in a waterfront comparable to the amounts railroad companies spend on their terminals.

Free competition on the sea

ONCE the ships get out into the fairway of the harbor, they are on common ground—no advantage to any company in the channel, and a free use of all the aids to navigation provided by the Government. Then it is up to each line to manifest the difference in operation for which the public seems willing to pay.

Do you complain because rates are higher on one steamship line than another? Of course not. If one line has faster ships, more luxurious accommodations, or more famous captains than a competing line, you may feel like paying more for your passage. You get an extra thrill, you think, for the higher price. What you pay is up to you. You can get across cheaply on a slow boat

with one-class accommodations, perhaps, or you can travel *de luxe* in the royal suite of the "queen of the seas."

There is no government regulation about the price you pay. If the companies want to cut prices to get the trade, it is all right with the Government.

Do the railroads have as free a hand? They do not. The Interstate Commerce Commission does their rate regulating for them. The Commission even tells them how much they can keep out of their earnings! For that matter, railroad operation is pretty well systematized in all departments. It doesn't cost much more to run a train on a rainy day than on a clear one. Trains can keep to their schedules except during blizzards or floods.

Navigation requires freedom

THEIR course is marked for them and it can't be changed to meet adverse weather conditions. A route is surveyed, the line is built, and the trains keep to the tracks. You can readily see the difference between the regulation of land transportation and water transportation. There is a natural fluidity in the conditions that confront the navigator of the sea. Legislation does not help him. He must have skill, experience, and sea-mindedness to meet all the changing moods of the sea. We must leave the captain free to exercise his judgment if we are to trust him with a ship.

So it is with the navigation of the air. We can foster and promote commercial aviation, as we did by providing the enabling legislation in the act of 1926. The Government can encourage the establishment of airways and other navigation facilities. It can see to it that the necessary meteorological service is provided. It can carry forward research work. It can investigate, record, and make public the cause of accidents in commercial flying.

As for regulation, the Government can and does provide for the granting of registration to eligible aircraft, for the rating of aircraft as to their airworthiness, for the periodic examination and rating of airmen as to their qualifications, for the establishment of air traffic rules and for the protection and identification of aircraft. We have rules

to keep the aviators to safe altitudes and to prevent collisions with water craft and land structures.

But regulation goes still farther. It provides for the issuance and expiration, and for the suspension and revocation of registration of airman, and aircraft certificates.

What have been the consequences of this legislation? You have only to look at the sky to see the result. Before the war, aviation was nobody's business. Now it seems that everybody is in it. Here are some figures. Ten years after the war we had only about 1,500 licensed aviators. By the end of 1928 the number had increased to 11,000. When you consider that we had 4,500 airworthy planes in commercial flying last year, and that ten years before we had only a foundation of obsolete war planes, you begin to see the soaring measure of our progress.

Just to show what a gain can be made in one year, look at these figures. In 1927, some 12,500 passengers were carried on scheduled routes. In 1928 the number increased to 52,934. Well financed air transport companies are the rule rather than the exception.

Now, how did the industry get up to that impressive stature? Not by any



"EVERYONE would see at once that it was inappropriate to put a group of railroad experts in control of the merchant marine," says Senator Bingham. "It is just as fantastic that they should regulate aviation."

The Senator, who learned to fly after he was 41 years old, is an aviator as well as a legislator. He is peculiarly fitted to discuss the laws best suited to advance aerial industry and the most practical ways of putting these laws into operation. His article will give you a new insight into the position aircraft holds in the general transportation scheme

official meddling of Government or by the incantations of any know-it-all bureaucracy. Rather it has come to its present estate through air-mindedness in the national policy—a policy which has been consistently formulated and administered in a sympathetic understanding of the problems peculiar to aerial navigation.

We must keep that understanding free to help aviation. We must recognize the individualism of the pilot's job. If he is competent to take up a plane and hold it safely to a prescribed course, we must leave him free to exercise his competency. I can see no merit in any measure that would submit aviation to an additional regulation by some board or bureau remote in its interest and understanding of the problems and conditions involved. We might as well agree that the merchant marine should be put under rules of the Interstate Commerce Commission, or that the Navy should be supervised by the Army.

You must have a community of interests and a logical association of activities if one regulatory body is to be all things to all industries. You may object that the Army and Navy both have national defense as their chief objective. Well and good. They do. Nevertheless, there are vital and obvious differences in the application of their responsibilities. You will see immediately, I think, the divergences in the exercise of authority by the captain of a ship and the colonel of a regiment.

I have no patience with these periodic proposals for more government by commission. For 30 years I have observed government as a student, a teacher, and as a legislator. I have yet to see an enduring satisfaction with the consequences of the divided responsibility which is inherent in rule by a multi-member board or bureau. You always find that dissatisfaction and doubt in the public mind is the result. It was so during the period of the Triumvirates in Rome. It was so during the régime of Directory in France. It will always be so.

The trouble is that the Commission tends to become judge, jury, and executioner. It always expands its original charter. It is greedy for power and prestige.

Of course, you may ask what is the function of government. The answers

would be as many and as various as those who are governed and those who govern.

That sort of discussion is likely to become metaphysical and abstract. We are dealing with practicalities in the development of aviation. I see no need to complicate its progress by granting reg-

(Continued on page 271)

Uncle Sam, Tipster

By MERLE THORPE

DECORATION BY DUNN



WHEN YOUR neighbor tells you that the price of a stock is going

up, you believe him or not as you like. You weigh his character and his sources of information and the chances are that you decide that he knows no more about it than you do.

But when the Government says that wheat prices are going up or pork prices down, the public listens and believes, for the Government speaks with authority, with all the resources of the country's greatest organizations at its disposal.

And that's a reason, an outstanding reason, why the Government should not add to its myriad tasks that of a prophet on the future course of prices.

Go back about a year. In March, 1929, the ticker on the New York Cotton Exchange tapped out the message that, according to the United States Department of Agriculture, a heavy increase in cotton acreage was in sight. The wise ones were puzzled.

They knew that the law prohibited such government estimates of cotton. Yet here was a statement dated Washington. They reasoned, "Regardless of the law, here is the report. We don't dare ignore it. The Government knows something that we don't know."

Immediately cotton broke—20 points. That means one dollar a bale. Long

THE Department of Agriculture constantly predicts future prices of farm products. These predictions, even if right, have no proper place in government. Unfortunately they are frequently wrong but, because the Government gives them out, they are accepted as authoritative. The Government cannot be responsible for the disaster that results

distance telephone inquiries developed the fact that it was not a government report. A Washington correspondent's "flash" had been so worded as to give that impression. But the damage was done.

Immediate denial of responsibility for the report by the Department of Agriculture failed to rally the market

more than a few points. Here it wasn't a Government prediction. But the mere fact that the public thought it was was enough. The public believed and prices tumbled.

Infallible government!

AND the public always will believe. Err as often as Government will—and it is easy to pile up instances of prophetic failures—there are always those who are ready to believe.

Government may be, to those who are close to it, only a collection of ordinary mortals, as likely to be wrong as ordinary mortals are in private life, but to the great majority of its citizens it is a more potent source of wisdom and a more believable forecaster than any private agency can be.

This willingness to accept Government soothsaying as commercial gospel and the perils that readily result was pointed out by Senator Smith of Georgia in the spring of 1928 in debates on the Agricultural Appropriation Bill which, as passed, forbids "any prediction as to the future prices of cotton or the trend of same."

Senator Smith charged that, as a result of price predictions by the Bureau of Agricultural Economics the price of cotton fell unwarrantably. He said:

(Continued on page 238)

The New Sales Manual



We found a hard-faced little devil sitting with his spurs hooked onto the edge of Arturo's desk. "Gonzales is under

DEAR Mr. MacDonald:
As soon as I got your letter called, "A Challenge to Every Man on the Selling Force," I could see trouble coming. When the chart arrived, the baseball diamond that showed Joe Glick, at Toledo, had made four home runs while I hadn't even gotten to first base, I tried to brace myself for it; but when you suggested that Percy Atwell, the sales instructor, should come down here to go over the ground with me, I clean lost

my nerve. I wired you, "For Heaven's sake, don't send Percy." So you sent him. Being a new sales-manager, sitting at a small desk entirely surrounded by United States, you would naturally assume you knew what I needed down in this old Central American Republic of Estrella.

Well, Percy has been here and gone. He was about 49 when he arrived, as near as I can guess, but he was more than 60 when I saw him last, on the train to the sea coast, and there was a look in his

eye that spelled sorrow for Michael Malone, importer and manufacturer's representative at Ciudad Estrella.

By the time this arrives you will have heard from him and probably will be getting ready to send me a letter full of red ink remarks.

Percy formed a poor opinion

YOU needn't bother. Take my word for it, I know all that Percy has to say to you about me.

Didn't Cover Revolutions

By Ralph Mooney

ILLUSTRATIONS BY CHARLES DE FEO



OF COURSE it's wrong to mix politics with business but read Michael Malone's report of how he kept a customer in Obispo and see if you would have made the same recommendations that Percy Atwell, the sales instructor, made



all the same I want you to get my side of the story.

Percy and I ran into a peculiar situation. Remember that. This country isn't half as wild as people think it is but it has its oddities. We found one.

Percy pulled into Estrella City four days ago.

"Now, Malone," he said, "I don't profess to be a miracle worker but I'm something of a specialist in straightening up slipping sales-

men. If you will take me out to visit a few of your customers, I am positive I can lay my finger on your trouble."

That annoyed me.

"Why assume that I have trouble?" I asked. "I haven't. The trouble is old Estrella. She hasn't been herself rightly for five or six years."

"My dear Malone," he said, "let's not begin to dig up alibis before we leave your office. Now, to begin with, the House (he always called you a house, MacDonald; I wouldn't stand for it)

is wondering why that account at the place called Obispo is not jumping at our Pink Slip Specials."

"I've been wondering what has been going on in Obispo myself," I told him. "I'll be glad to take you there."

"Brass tacks, Malone!" he said. "Let's get down to brass tacks. None of this *mañana* business. We're here to sell goods, not to look at palm trees and bull fights. When does the next train leave?"

Ygnacio, general handy man

I LOOKED up Ygnacio and told him to pack my clothes. I booked transportation and we left for Obispo on the night train. Obispo is a good sized city, as big as any in Joe Glick's territory, and it has both a night and a day train. Are you amazed? Well, I'll be fair and admit they run on alternate days.

Percy got awfully snooty when Ygnacio met us.

"Do you make it a habit to carry your servant about with you?" he asked.

"Ygnacio isn't a servant," I said, "he's more like my right hand."

"You surely put on style."

Ygnacio isn't style. He's a full-blood Zapotec, with gray hair and a beard like a senator. He used to live in Mexico and

I know, Mr. MacDonald, I know. I've been through this before. I handle all kinds of goods and I've done business with all kinds of sales managers. If it does you or Percy any good, I'm willing to admit that I live in luxury here, traveling with a valet and that I'm a lazy degenerate who takes time out of business hours for a siesta. Also, that I drink and mix in politics and am not the kind of go-getter that ordinarily represents the great house of Delavan and Schmitz, hardware specialties. But

arrest," he said. "I have confiscated his store."

was pressed into a rebel regiment back in old Porfirio's day and his outfit was captured. I managed to save him from a firing squad because I was pretty solid with Porfirio and all his generals. Since then, I couldn't lose Ygnacio if I wanted to and I don't want to. He's a mighty handy man to have around. He's loyal, MacDonald, and sometimes you need a loyal man. You know that.

Now, at Obispo I noticed a stagnant atmosphere all over town. Business was at a standstill and ordinarily it's a pretty lively place where miners and mining companies buy supplies. I felt uneasy but I didn't say anything to Percy. I took him around to the Big Store, the *Tienda Grande*.

Under a new proprietor

INSTEAD of walking in there and getting an order from Arturo Gonzales, we went to the office and found a hard-looking little devil sitting with his spurs hooked onto the edge of Arturo's desk. He had on a kind of half-way army uniform, including a military cap and a pistol in a holster. I could tell he was from the Poco Mountains, with Indian blood in him. A lot of our hard babies in Estrella come from the Poco Mountains. They hardly ever go back. They usually get shot or hung before they can make up their minds about it.

"I wish to see the Señor Gonzales," I said—in Spanish, of course.

The little fellow had a mustache that followed round the curve of his lip. He smoothed it.

"Gonzales," he said, "is under arrest. He was plotting against me. I have confiscated his store. I am Fernando Barros."

I had guessed all of that except his name. The floor of the office hadn't been swept for days. There were a few empty brandy bottles in the corners and some full ones on a shelf. The safe was open and the cash drawer was lying on the floor in front of it, upside down.

"Where is he?" I asked.

"I will not tell you," said Fernando Barros. "You will do well not to interfere in this matter, Señor. You will regret if you do."

"I understand," I said and

turned to leave. "*Adiós, comandante!*"

The *comandante* cheered him up.

"Go with God," he said sweetly.

I took Atwell by the arm and led him out through the store. I noticed that the show cases were almost empty. Arturo's regular clerks were not on duty but there were two or three low-grade Poco Indians loafing around. A red flag was hanging over the door.

"What's the matter?" asked Atwell. "Why didn't you introduce me to your customer? You talked Spanish all the time and didn't translate a word."

"Atwell," I said, "if that had been old Arturo Gonzales, you wouldn't have heard two words of Spanish. Arturo went through Yale."

"Was that fellow his assistant?" asked Atwell. "Why did he wear a pistol? What is that red flag doing there? Don't be secretive, Malone."

"That fellow was not his assistant," I answered. "He wears a pistol because he likes to use one, if I'm any judge, and that red flag means what it usually does nowadays, Bolshevism."

"Good Heavens, is Mr. Gonzales a Bolshevik?"

"No indeed," I said, "but there are Bolsheviks in Estrella. When they see

something they want, they take it. They hang a red flag over the door and nobody interferes. At least, nobody in these outlying towns interferes."

"Is this a Bolshevik community?" asked Atwell. He looked around and his eyes got bigger than his glasses.

"No more than any other," I said. "Soviet agents have done their best. These boys take a fling at it every now and then. They do a great deal of confiscating but as little work as possible. And the politicians keep them pretty firmly in hand."

"This town, for instance, isn't all Bolshevik. There are federal troops in the garrison. I saw them. And I know that a federal governor sits in the state-house over there on the hill. But all that doesn't make any difference if some half-bandit, half-politician like Barros wanders down here from the mountains and gets a following by means of a little bluff and bribery. Barros goes Bolshevik and the federal officials pretend they don't notice. Barros controls people and people count a lot in any government."

Mr. Percy Atwell changed. He had a sudden attack of cordiality.

"Ha! Ha!" he said, in two syllables, like I write it. "Well, I perceive that you have a good alibi here, Malone. Ha! Ha! Perfect, I should say. Well, there's no use wasting time among Bolsheviks. When does the next train leave for Estrella City? Brass tacks, Malone. Let's be seeing about our tickets."

After all, you couldn't blame him. The new sales manual didn't touch on revolutions. You should attend to that, MacDonald.

To free Arturo

ALL this time, we had been walking along the narrow streets in the old part of Obispo. Now we turned into the one modern boulevard. Our hotel was only a few doors away.

"Arturo Gonzales is my best friend," I said. "I can't leave here for a while."

"Surely there is no chance of landing an order from him?"

"Order be damned. Listen to me, Percy. I've been doing business in Latin America for 18 years all told and Arturo has been my friend from the first. There were times back in the old days when I was learning Spanish and getting the



When I came to Arturo was standing over me, a match in his hand. Luisa and the girls were with him

hang of things that his orders were all that kept me alive. The old scoundrel used to buy stuff he didn't need just to give me the benefit of the commissions. I didn't realize it then but I have since. Now, he's in trouble. I'm not going away from here knowing that."

Percy looked funny.

No politics

"MALONE," he said, "the House will not tolerate having any of its foreign representatives mix in political affairs. This, while not strictly political, is nevertheless a matter which I feel is not for us. I think—I mean I must insist that—"

"Oh, dry up," I said. "Go up to your room and go to sleep. It's time for siesta."

"I don't require a siesta."

"Well, I do," I told him, "and I'm going to have one. Go to your room and stay there till I call you."

"Very well, Malone, very well. This is going to count against you."

I had started to walk away from him but I had an idea, so I stopped.

"Percy—" I began.

"Don't call me Percy."

"All right, I'll call you something else as soon as I can think of it. What I want to say is, since you are r'aring to go, why not try to find out something about selling in this country for yourself? Do you think you can take an order when it's waiting for you?"

"Malone, I told you I'm a specialist."

"Yes, yes," I said, "this ought to be easy then. In the first place, language will be no trouble. The buyer is an Oxford man, Enrique Carreras, in charge of supplies for the Chapala Fruit Gardens Company, at Bondad. He wants three carloads of galvanized containers. If you tell him I sent you, he'll give you a share of it, probably a carload. If you leave my name out and work on your own, I'll guarantee you won't sell him a dime's worth. There's a train to Bondad at three and it's only a 60-mile run so, after siesta, I could put you on board and tell the conductor to look after you and you

could go there alone. Do you want to try it?"

"I'll sell him all three carloads and be back here tomorrow."

"I'll bet a dollar you won't—but go try."

Percy tries his hand

"I'LL take that bet."

"All right, see you later."

I went to my room and found Ygnacio.

"The Señor Gonzales' store has been

confiscated and he is under arrest," I said. "Find out where they've got him and what has become of his family. Meet me at Luiz's place about four o'clock."

Then I took a nap, more to spite Percy than anything else, although a siesta is a mighty fine thing, and then I put him on the train as I had promised. I had two reasons for doing that, Mac-Donald. I thought it would be good for him to find out for himself that he didn't know all there is to know about

(Continued on page 154)



"Throw them out," said Barros. I must say one thing for him, he had taught his men to carry out his orders thoroughly

Robert Morris, Patriot and



Morris' Folly, the gaudy mansion that the unfortunate land boomer built in the hey-day of his prosperity. Like his other holdings, it was swept away when the crash came

PATRIOT and financier, they called him! Patriot he was, without a doubt. He risked his life and fortune in the Revolutionary cause. Not until 1781, when he accepted from the Continental Congress the office of Superintendent of Finance, were the hopes of the Revolution rescued from utter chaos.

His large business adventures before the colonies separated from the motherland, and his relationships with the leading foreign financiers peculiarly fitted him for the office, and no man ever had a more difficult task than his of raising funds for the bankrupted colonies joined together into a patchwork nation. Yet he was called "Bobby the Cofferer" and the meagre newspapers of the time caricatured him unmercifully.

Some of his contemporaries also accused him of private gains from his public office. These accusations he strongly denied. Writing in May, 1782, he said, "By accepting the office I now

hold, I was obliged to neglect my private affairs. I have made no speculations in consequence of my office and instead of being enriched, I am poorer this day than a year ago."

As a financier in private life, Morris has little claim to greatness. He engaged in the wildest speculative adventures. He was a high liver, displaying his extravagance with the utmost ostentation. He caused the financial ruin of numerous friends and associates. And he spent almost four years in a debtors' prison.

Apprenticeship in Philadelphia

ROBERT MORRIS was born in Liverpool in 1734, the son of a wealthy Scotch merchant and shipper. His father carried on an extensive trade with the colonies, and lost his life in 1750 at Oxford on Chesapeake Bay through a badly-aimed discharge of a cannon fired as a salute in his honor.

The Young Robert, when 13, was sent to Philadelphia for his business apprenticeship. Three years later he became a clerk for Charles Willing, a prominent Philadelphia merchant. Because of his native genius for trade, Thomas Willing, the son of Charles, took him into partnership.

The firm thus established became one of the largest trading concerns in America before the Revolution. Thomas Willing was not much given to politics. He held no important public office until he was elected president of the first Bank of the United States. Morris, however, was active in public affairs. He signed the Declaration of Independence—though he opposed the measure for some time. He also signed the Constitution, and was a United States Senator from Pennsylvania from 1789 to 1795. His service as the financier of the Revolution needs no elaboration. Every American schoolboy knows about it.

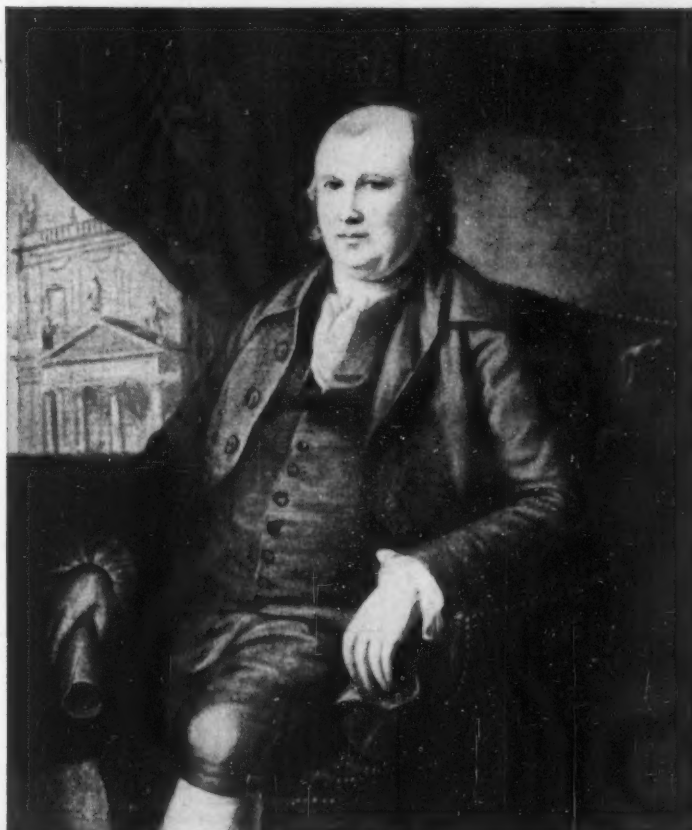
Morris probably had no thought of

d Bankrupt

By A. M. Sakolski

Statistician and Financial Expert, Paine, Webber & Co.

THE WORLD knows Robert Morris as the man whose financial genius bolstered the wavering cause of the American Revolution. Few know the sequel, however; how, unable to apply his talents to his personal fortunes, he went to debtors' prison. Here is an unhappy page from history



He rescued the American cause and the papers called him "Bobby the Cofferer"



land speculation until after the Revolution. Relieved then of his public office, he looked about for business adventures. That he was slow in selecting land as a path to fortune is indicated in his letter to the President of the Congress, dated July 29, 1792, in which he urged enactment of a land tax because "so large a number of individuals hold large tracts."

Land grabbing was obnoxious to the Revolutionary spirit. But land there was in plenty awaiting new owners. It was the principal item of private and public wealth. Speculation in the government debt was prevalent, but it was a temporary adventure of limited scope. Land jobbing, therefore, became a widespread source of gain.

Like all wealthy men of the time, Morris invested in estates and plantations. With Thomas Willing he had, before the Revolution, purchased an indigo plantation of 3,000 acres in Louisiana but this was soon abandoned. Busy with public finances during the war, he had little time for schemes of personal gain. Yet, even during this period he took an occasional "flyer."



James Greenleaf, a friend in fair times, became a foe in failure

In 1781, he bought an eighty-fourth interest in the Illinois and Wabash Company which claimed title through direct purchase from the Indians to a large part of what was later known as the Northwest Territory.

There is also evidence that he participated moderately in the Yazoo speculations, for he owned shares in one or more of the various "Yazoo" land companies, which were formed out of the

fraudulent purchases of Georgia's western territory. But these transactions were merely incidental to his business operations.

Developed Morrisville

MORRIS' first real land deal was the wartime purchase of a tract at Trenton Falls on the Delaware River. This investment, however, also appears to have been but incidental to his other business operations. Since at the time there was no thought of a new location for a national capital, Morris cannot be accused of making this purchase with a view to speculating on its selection as a federal site. True, Congress, on December 23, 1784, resolved that the seat of government should be at the Falls of the Delaware and Morris and two others were appointed a committee to purchase the land. But no purchase was ever made.

When, after the Constitution was adopted, the problem arose, Morris did attempt to persuade Congress to select his tract, but he never pressed the matter and does not appear to have used undue political influence for his personal gain. Instead Morris started a town development on the tract, and called it Morrisville. It never amounted to much,

and was finally sold by the sheriff.

Just how Morris began his schemes of land speculation probably will never be accurately known. Undoubtedly, (as one of his biographers states), he was led into these ventures by his belief in the rapid growth of the country. He probably believed that European immigrants would soon cover the unsettled and almost boundless back lands. John Maclay, United States Senator with Morris from Pennsylvania, gives the best account of the latter's initiation into land gambling. Writing in his journal, March 16, 1790, Maclay says:

Mr. Morris, after sitting serious awhile, turned to me and began a familiar chat. At last he asked me to walk on one side from our seats, and asked me if back lands could still be taken up. I told him yes. He immediately proposed to me to join him in a speculation in lands, which he thought that he, from his connections in Europe, could sell at one dollar per acre. I paused a moment; said, as our waste lands were totally unproductive, such a thing might be beneficial to the public as well as ourselves; that in these points of view I saw no objection.

Couldn't sell in Europe

THAT Morris should count on his connections in Europe to dispose of the land profitably was logical. No other American was better known in European business circles. The hint of using his European connections to sell at a profit the Pennsylvania back lands, which could then be bought

from the State at a few cents per acre, led Maclay to believe that Morris "is for what the speculators call dodging—selling the land in Europe before he buys it here."

There is no proof, however, that Morris intended operating in this manner. The fact is that his European connections as an aid in his land speculations proved a keen disappointment and led to his ruin.

It seems probable that Morris became interested in Pennsylvania wild lands through the persuasions of a brilliant and energetic young Pennsylvanian,

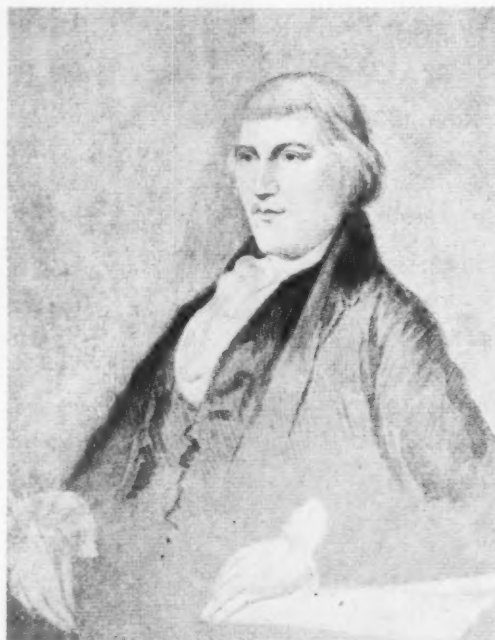
John Nicholson. When still a youth, with no known antecedents or family connections, Nicholson, in 1785, was appointed Comptroller General of Pennsylvania. In this office he supervised the disposal of the state lands by means of which Pennsylvania was endeavoring to repay its citizens and soldiers for losses due to currency inflation or unpaid war services.

Nicholson and Morris

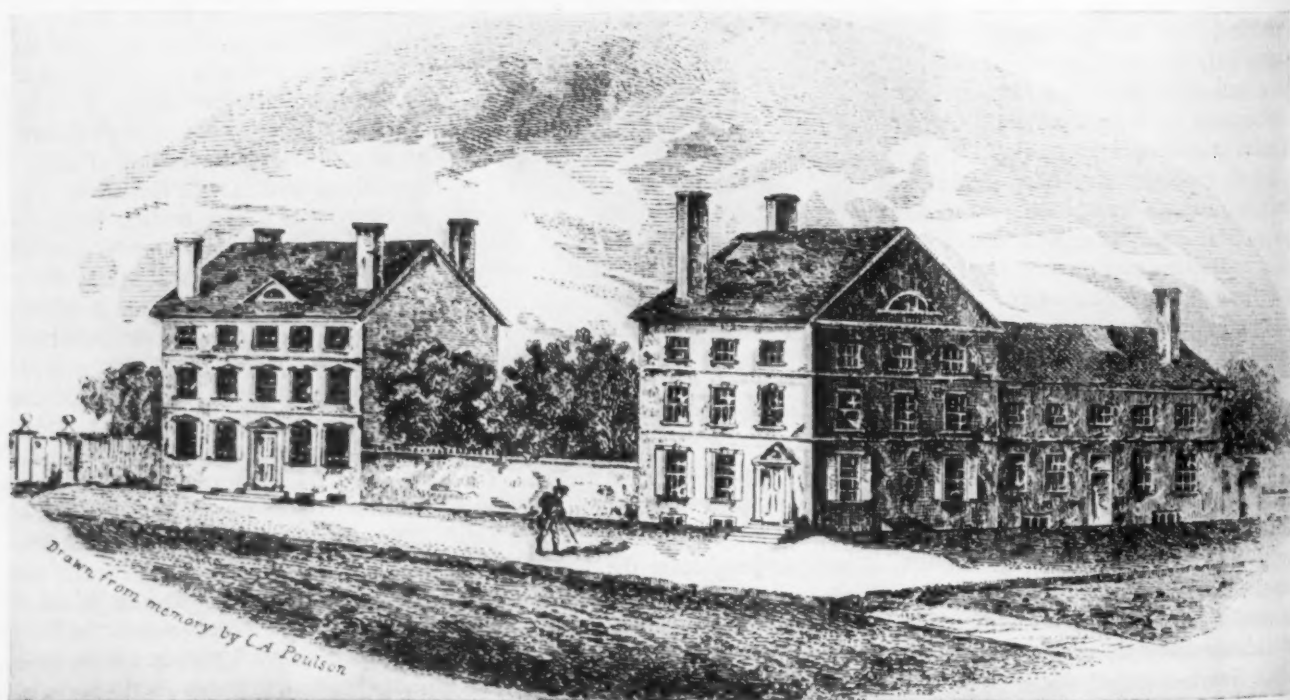
THESE so-called "depreciation" and "donation" lands were represented by land warrants given to the individual claimants. Speculators bought up the bulk of them. Nicholson, through his official position, was able to make the best land selections. He soon became the largest landowner in Pennsylvania, acquiring title to about four million acres. His purchases also extended to other states. The burden of carrying this vast acreage was undoubtedly too much for the young speculator. It was natural, therefore, that he should turn for help to the reputed most affluent person in Pennsylvania.

Morris became an active associate of Nicholson in 1793. Their confidence in each other to the bitter end, as

(Continued on page 202)



John Nicholson



Two of Morris' homes on High, now Market Street, Philadelphia. The house on the left was placed at the disposal of President Washington while Morris and his family moved into the mansion at the corner of Sixth Street

ORIGINAL IN COLLECTION OF HISTORICAL SOCIETY OF PENNSYLVANIA

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THERE used to be two kinds of people in this country—city fellers and small-town folk. Now there is only one kind, the small-town person has vanished. Mr. House has searched and found out where he went



Compare this picture with the one below and see what 20 years have done

Main Street Is Broadway Now

By JAY E. HOUSE

PERIODICALLY, in the several years just past I have made casual and detached motor journeys in search of America's vanished Main Streets. I have driven as far north as Maine, as far south as the Carolinas and as far west as Kansas. I was reared on and contiguous to Main Street. I have a sentimental interest in the street and its institutions. Until a year or two ago, I found slight traces of it here and there. I have to report that it has now disappeared, apparently forever. In May and June of last year I drove 3,200 miles through the Midlands. I concluded that, so far as America is concerned, the Main Street of my younger days is as archaic as a horse and buggy.

I first became conscious of the transition some seven or eight years ago. We were starting, one Saturday morning, to motor to New England and Canada. "We'll make an easy drive today," I remarked as I turned on the ignition.



CHARLES PHELPS CUSHING

When quartets sang on the courthouse steps and every store was a social club

"I want to spend a Saturday night in some small town and one as far from a city as is possible in the congested areas of the East."

The town happened to be Stroudsburg, Pa. I sat out in front of the hotel until 11 o'clock that evening watching the milling crowds pass and repass. The figures were familiar, but somehow they

had changed. I was conscious of the change, but an exact impression of it eluded me. Then I happened to remember that in the course of the evening I had seen but one woman who wore cotton stockings.

The next year we were spending a week-end in the Bay town of Betterton, Md. The country adjacent was purely

agricultural. I noticed a dancing pavilion near the water's edge. At dinner the landlady said, "You must be sure to go to the dance tonight. It is the event of the week."

Country dance is modern, too

"I'd like to," I replied. "I haven't been to an old-fashioned country dance in years."

It wasn't an old-fashioned country dance at all. It was a crowd of slick, sophisticated, well dressed young folk dancing steps so modern that I didn't even know they'd been invented.

I kept on looking for Main Street

"I couldn't get anybody," he explained. "They don't sing any more. They play golf and tennis and go out in cars. Or they turn on the radio and pick up a jazz orchestra somewhere."

Tennis! Why, I can remember when a young man who played tennis would have been considered effeminate. They'd have let him play with the girls. In my Main Street existence, I recall but one man who played it. He was the pastor of the Presbyterian church in Cottonwood Falls. He strove mightily to get his flock interested in the game. He might as well have tried to interest them in Sanskrit. They looked upon tennis and the pastor's somewhat pink and re-

markably lush whiskers as two of his amiable weaknesses. Golf wasn't even a small town word.

In Grigsby City the next morning I talked with Perry Mills, the veteran barber. I have known Perry always; I even recall the subject of his high school graduating oration. We talked business, which seemed prosperous. His shop was well kept and had all the modern appliances of the tonsorial art. There were at least a dozen bottles of tonics, unguents and facial renewers on his work bench.

"We close at seven o'clock on week nights and at nine o'clock on Saturdays," he said. "That's long enough to keep any barber shop open."

The old town club

THEN I knew I had lived to witness a cataclysm. For the barber shop, Main Street's last stronghold, had surrendered. When Perry went into the barber business after being graduated from high school, they closed at 10 o'clock on week nights and worked until 12 o'clock or later on Saturdays. The barber shop was the town club and the seat of most of the town wisecracking. It was always crowded because men and boys loafed there by preference. On Saturday nights, patrons waited hours for their turns.

Now it is just a well kept



Roads like this have helped modernize Main Street and its environs

until last June. Then I definitely abandoned the search. I had driven down to the old home town in Kansas for a visit of a few days. Grigsby City is remote. Here I thought to find some of the traces of the Main Street I remembered, and I strove to recreate a scene.

Arriving, I sent word to Harley Gabriel. In the old days Harley and I had sung in the same male quartet. I wanted to get out under the trees in the courthouse park and sing the old songs.

"I'll be back in town around 8 o'clock," I said to the messenger as I set out for a drive into the country. "Tell Harley to pick up another tenor and a basso and meet me on the hotel corner."

Harley was standing on the hotel corner when I returned to town; but he was alone.



A trip to town was an adventure when it meant hitching up the team and spending a day driving over poor roads in a wagon

business institution. There were no loafers in Perry's shop; those who came in during my tenancy of the back chair came for service. In Grigsby City men no longer wait until midnight Saturday night to be tonsorialized, and they do not take a hirsute development of a week's standing with them. A man who shaves more than twice a week no longer attracts attention or provokes invidious comment. A week's growth of beard is now more closely marked and provokes more talk than was formerly accorded a clean shave.

All of these are trivial phases of the American scene; but they mark unerringly the



Broadway couldn't lead the procession without changing some itself. Here is today's view looking south



Only the rear façade of St. Paul's identifies this picture of the 'eighties as Broadway

spot at which Main Street disappeared. There are thousands of Grigsby Cities. The thing that has happened in my Grigsby City has happened in all of them.

When I left the farm, much to the relief of everybody connected with agriculture, and went into the *Clarion* office to learn the printer's trade Grigsby City was a wooden-built town of 1,200 or 1,400 people. In rainy seasons the streets were morasses of mud and vehicles were often hopelessly mired in attempting to navigate them.

Sidewalks, where such conveniences existed, were of wood. The more con-

Most families kept a bed in the sitting room and members of the family slept in it. A new sewing machine was considered a fine piece of furniture and good enough for anybody's parlor. Business houses and residences were heated by stoves and lighted by kerosene lamps. A business house had more loafers than customers. The big stove in the rear of the store was ringed by improvised seats—a disabled chair or two, cracker boxes and plug tobacco cases—and they were always occupied. The right to a seat on the cracker box at the end of the notion counter was always in question and was often contested.

siderable merchants went to market twice a year, but styles in women's clothes required from three to five years to negotiate the distance between New York and Main Street. Styles for men moved more slowly. A snappy dresser was one who bought a new suit of store clothes every fall.

Merchandise was where one found it. Sometimes the proprietor or his clerk knew; sometimes a search was necessary. Unless the Battle of Chickamauga was being refought or the blanket indictment against the Democratic Party happened to be under discussion, the customer was waited upon with reasonable promptness. Otherwise he had to wait.

All modern improvements

IN the 25 years that followed, gradual but perceptible change made itself manifest in Grigsby City. It was, of course, more apparent to the casual visitor than to the permanent resident. Brick buildings replaced the wooden structures and the old false front—the transparent device for adding stature to a one-story building—disappeared into the limbo of the past. Telephones got into the home, an electrically lighted residence ceased to create comment. Most of the stores and many of the residences were heated by modern appliances. There began to be talk of a water supply and sanitary plumbing. Sanitary plumbing had a hard row to hoe;

there was considerable opposition to it.

But, essentially, Grigsby City remained about the same. Because the boys and girls had been going away to school and returning with new ideas, the mean intellectual level of the community rose perceptibly. But the life of the town still was predicated on its old idols. The church continued to be the social center and conversation had its impetus in the trivial doings of the community. A peccadillo was good for a week of talk; a transgression of the town's social or moral code made conversation for a year.

In June of this year, Grigsby City still had 1,200 or 1,400 inhabitants. I think the population fell off a little from the previous year's mark and dropped below 1,200. But every street in the town is paved and it owns its own water and lighting systems. The opposition to sanitary plumbing long since disappeared. In the show windows of the stores, I saw precisely the same articles that I see displayed in the cities. They were, perhaps, not as expensive as those displayed by city stores which make a point of catering to luxurious tastes, but they were modeled upon them. A woman who goes into a Grigsby City store nowadays buys the same styles as her urban sister. And nobody

could sell her anything else. She knows what the well dressed woman is wearing.

In Grigsby City I heard discussions of books which I had not read and of plays I had not seen. Grigsby City hadn't seen the plays, for that matter, but it does know what is going on in dramatic and talkie circles. They're teaching music in the schools now and I heard a high school orchestra play a reasonably stiff program creditably. In my day in Grigsby City and for many years thereafter, the nearest approach to a symphony orchestra was Wesley Upchurch, the barber. Mr. Upchurch played the fiddle and was often employed to do so at country

dances. Due, perhaps, to his failure to concentrate, Mr. Upchurch was neither a very good fiddler nor a very good barber. I doubt if he could break into the musical circles of the town now.

No good place to loaf

BUT progress ever is attended by disadvantage. Some comfort inevitably is sacrificed to it. As in New York and other metropolitan centers, there is no longer any place in Grigsby City to sit down. Once I could have found a comfortable seat along Main Street anywhere. Not all of the business houses provided chairs, but there were always

plenty of nice, clean goods boxes. Now the only place of sanctuary is the lobby of the Sun Dial hotel, and the Sun Dial does not encourage loafers. Most of the chairs are marked, "For Patrons Only."

Main Street's attainment of sophistication, a now generally recognized and admitted achievement, is attributed to various causes. Doubtless, they have all contributed. Increased ease and facility of transportation and the consequent increase in travel are cited. The widespread syndication of popular, clever, or wisecracking newspaper features has taken away, to a considerable extent, the in-

(Continued on page 140)



KEYSTONE VIEW

The theater is smaller but the small town sees the same movies today that Broadway sees



CHARLES PHELPS CUSHING

Twenty years ago the "latest, life-size moving pictures," shown in the traveling canvas theater offered an infrequent entertainment treat to the dwellers in small towns

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UNDERWOOD & UNDERWOOD

Efforts to defeat the boll weevil have produced inferior cotton

King Cotton's Uneasy Throne

By ARTHUR COLEMAN

Associate Editor, *Holland's, the Magazine of the South*

- AT A TIME when we are complaining of a surplus of American cotton, we are importing cotton from India and Egypt. Since 25 per cent of American industry needs cotton, the reasons for this anachronism are worth knowing. Here is an excellent survey of the situation

WHEN the boll weevil came quietly out of Mexico, in 1892, on the assumption that American cotton was greener, it started something. The changes this little pest has wrought in the three-century-old American cotton industry today are assuming amazing proportions.

Today we know, for the first time, exactly what American cotton is facing. The Department of Agriculture during the past two years has given us information as to grade and staple. Further, the Department has adduced information as to the grade and staple of cotton consumed by American mills.

The result has been the grave and

literal question: Where is American cotton going?

More than 25 per cent of the industries in the United States today either use cotton in their products or turn out commodities that can be used only by the cotton industry. This is exclusive of the woolen-clothing industry. These cotton-dependent industries produce more than 35 per cent of the country's manufacturing values. They hire nearly one-third of the industrial employees.

Cotton in many uses

THEIR products include articles necessary to our daily existence. Clothing, of

course; automobile wheels, brakes, tires, tops, seats, motors. Your plant probably is covered with composition roofing. Cotton goes into that and into the food you eat, and into the cosmetics and artificial silk your wife uses. Cotton is in the record you play on your talking machine. Cotton goes into the film you see at your movie theater.

If and when you pound your desk excitedly, you are most likely pounding cotton in the form of varnish or lacquer. If your chair is upholstered with artificial leather, then you are probably sitting on cotton. Should you be blown up by nitroglycerin or dynamite, cotton would take a most active part in that experience. There are 147 cotton fabrics, with 1,000 or more uses. Cotton seed alone goes into 150 products.

The business man knows that there is annually a considerable surplus of American cotton. And the sort of cotton that makes up this surplus, and what we are going to do with it, constitute a grave problem.

For our surplus today is made up of seven-eighths-inch cotton, the shortest recognized by the market, and of the shorter staples which are untenderable on contract. In our middle staples, consumption and production run fairly even. As the staples get longer, consumption outstrips our production; for the demand for longer staples is growing. Yet in the face of this fact, the short staples now represent 58 per cent of our total production.

The weevil hurt long staples

BEFORE 1892, America had established herself as the world's supreme producer of cotton, with staples ranging from fifteen-sixteenths of an inch to one and one-sixteenth inches in length. In this class of cotton, she had no rival anywhere. In addition to this, she produced the famous Sea Island cotton of South Carolina and Georgia; and so fine was this cotton that not even the Abyssinian varieties, imported by

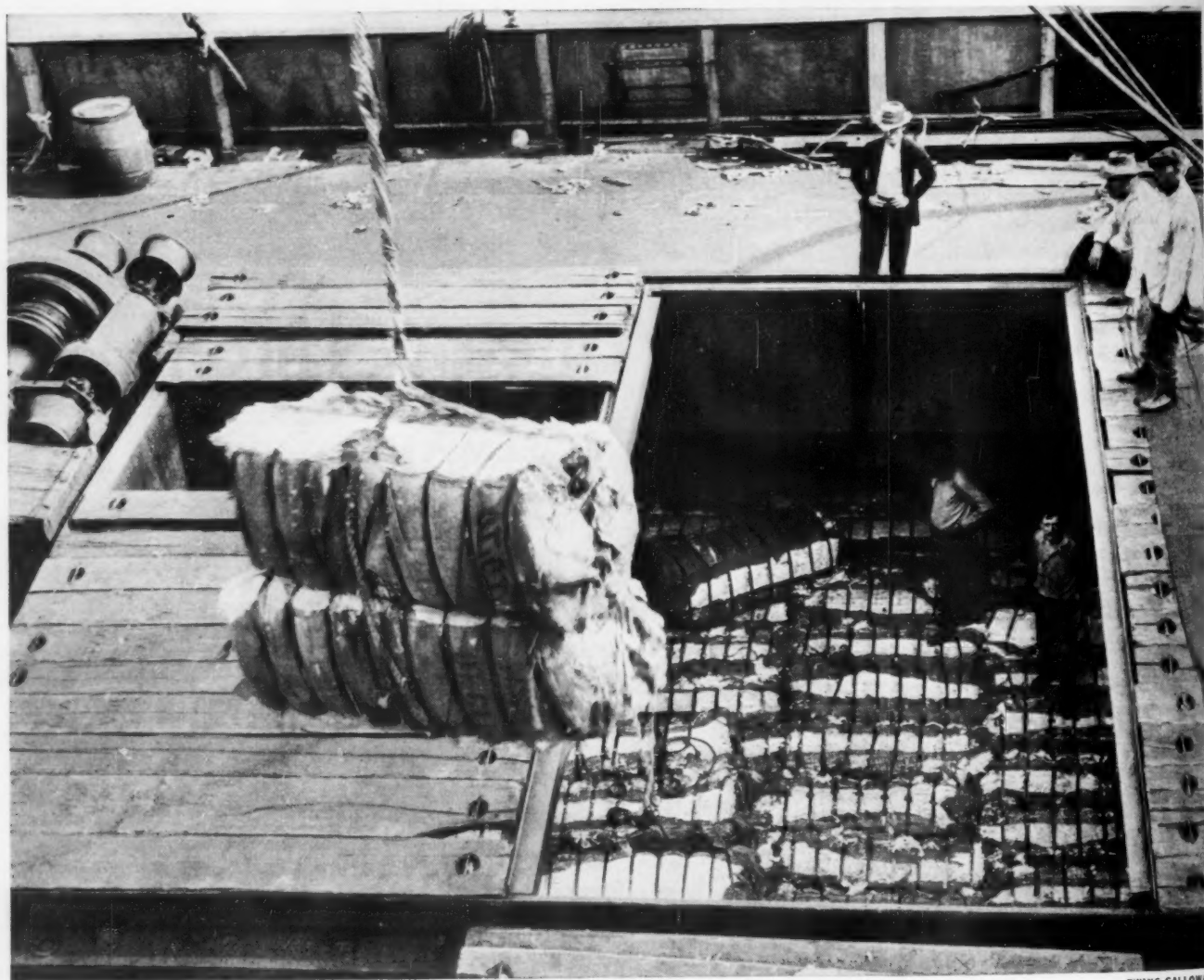
Egypt in 1821, could match it. She had little or no short, soft cotton. India produced practically all of that.

Then came the boll weevil. It started in the southwest corner of Texas, spread to northern Texas and contemplated the cotton lands to the East. Farmers became hot and bothered. The cotton they were growing—cotton of good staple—matured late, and the boll weevil prefers late cotton.

Then word came from Georgia and other southeastern states about a cotton which matured enough earlier that the boll weevil was caught napping. It was short as to staple, but its lint turn-out was more than a fifth again as much as that of the longer, later cotton.

As the weevil advanced through the cotton states, so did the use of this short-staple cotton. The weevil reached the Atlantic Coast and annihilated the Sea Island staples.

As land grew old and, in spots, worn out, and root rot and other afflictions appeared, matters grew rapidly worse.



Loading cotton for export at a cooperative wharf in New Orleans. Cooperative marketing makes it possible for the farmer to sell his crop at its true market value and at a saving

EWING GALLORAY



EWING GALLOWAY

In spite of primitive methods, Egypt is invading cotton markets where the United States once ruled

But no one realized how bad they were until the Department of Agriculture began to classify American cotton according to staple and grade.

Only low grades

THE Department found that, last year, more than one-fifth of the total crop was untenderable on contract because of short staple. It found that nearly 24 per cent was untenderable when no-grade cotton—below the nine standard government grades—was added in.

More than 2,800,000 bales of the 1929-1930 crop were of untenderable short staples. This represented an increase over the preceding season of 825,000 bales.

In addition to this short cotton, we produced more than 5,400,000 bales of seven-eighths-inch cotton which, though tenderable on contract, so far as staple length is concerned, is still short cotton. A considerable portion of it comes into competition with the better grades and staples of India.

The problem of what is to be done about this cotton is absorbing the attention and energies of two government departments today. This cotton



EWING GALLOWAY

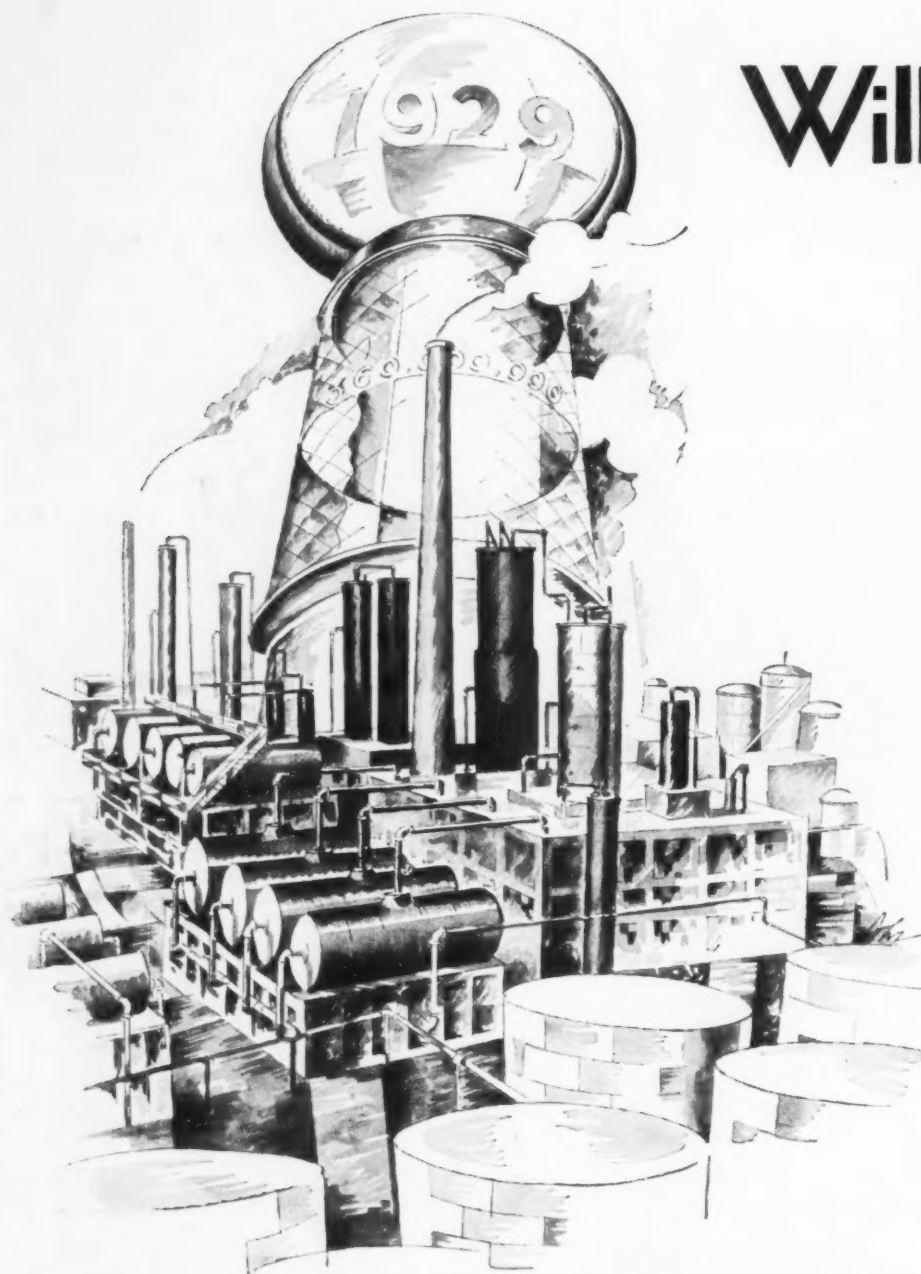
India is improving the quantity and quality of her cotton and her crop is giving us competition in southern Europe and Japan

is slowly bringing the American crop into disfavor in the world's markets. It is lowering the income of an industry whose revenues already are below those of any other group of workers.

When this short, untenderable, low-grade cotton enters the world markets, it comes directly into competition with

the cotton not only of India, but also of China—cotton produced by the cheapest labor in the world. In other ways than price, too, this foreign cotton surpasses the American product. It is far stronger as to fiber. Because of this, it has won the favor of American mills

(Continued on page 268)



Last year refiners made 420 million gallons more gasoline than they could sell. No wonder the public isn't excited over a shortage

A GALLON a day is the petroleum allowance of every person in our United States and while it cannot fairly be called a habit-forming drug we surely have become dependent on it, for motor-driven vehicles which require gasoline to propel them and oil to lubricate them are now an essential part of our life.

A cynic might suggest, as the real reason the public does not get excited over a possible shortage of petroleum, the fact that, although, the time when, according to the first prophecies, our petroleum supply would be used up, has already been passed, refiners made 420

million gallons more gasoline last year than they could sell, even though consumption was 14 per cent more than in 1928.

When to begin worrying?

RESEARCH workers, on the other hand, might fairly claim that the absence of anxiety in the public mind is evidence of a gratifying faith in their ability to meet any situation that may arise. Whatever the explanation, the public is not worrying over its petroleum supply.

Well, what about it anyway? Is our petroleum supply short and getting

Will Lack of

shorter? Can we do anything about it if it is short? How can we get along if we should be unable to get all the cheap gasoline we can use at almost any corner?

How can we know how much petroleum is in the ground? We can't, but we can make a reasonable guess. Three-quarters of the earth's surface is either covered with water or polar ice and half the remaining quarter exposes to our view ancient rocks that, all experience indicates, can never be expected to yield petroleum.

End is in sight

THE remaining one-eighth may or may not yield petroleum. Taking the results of experience with the areas that have been thoroughly drilled and applying a safe average figure it is possible to make a reasonable guess at the total.

Dr. David White, former chief geologist of the U. S. Geological Survey, has done this and his figures indicate that the petroleum still obtainable in the United States is about triple

what has been obtained since 1920. We have produced more than two-thirds of all the petroleum the world has yielded to date. What we have left is probably about one-fifth of all there is in the world, although we are now producing 70 per cent of the world's output. Since we are now producing nearly three times as much yearly as we did in 1919 it looks as though there might be a shortage before 1950.

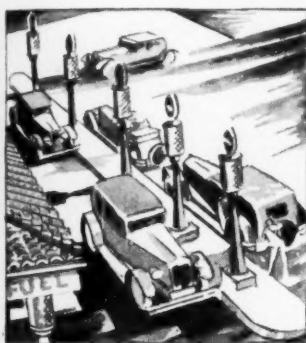
But watch that word "obtainable!" How much of what is in the ground is obtainable? That depends on how deep you drill and what proportion of the petroleum you can get out through the well. The first well drilled in this coun-

of Fuel Make Autos Useless?

By Thomas T. Read

Vinton Professor of Mining, Columbia University

ILLUSTRATIONS BY G. LOHR



★ WE HAVE been told that some day we will drive to a filling station and hear that there is no more gasoline because the petroleum supply is exhausted. What will we do then? Professor Read tells us

try was less than a hundred feet deep, now several are more than 8,000 feet deep; the engineers are talking confidently of drilling wells 10,000 feet deep, though no one has done it yet. The wells drilled in 1926 averaged 2,500 feet in depth. If we can eventually bring the average depth to 10,000 feet we ought to increase considerably, though not in exact ratio, the amount of oil we can get.

During the past few years some interesting progress has been made in developing methods to help discover oil. Even better methods may be discovered and it is not impossible that we will find more oil than we anticipated.

More oil from shale

UNFORTUNATELY all the oil in the ground does not come out through the wells. Nobody knows exactly what proportion does come out, and about the only data to guide us comes from the Pechelbronn field, in Alsace, where they are mining the oil-bearing sands like coal. From the mined material they extract five to six times as much petroleum as they formerly got out through wells. Experts differ as to whether these figures are a safe indication as to average underground conditions, but nobody claims

that all the petroleum is obtained and even the most optimistic do not think that more than one-quarter of what is actually there comes out through wells now producing.

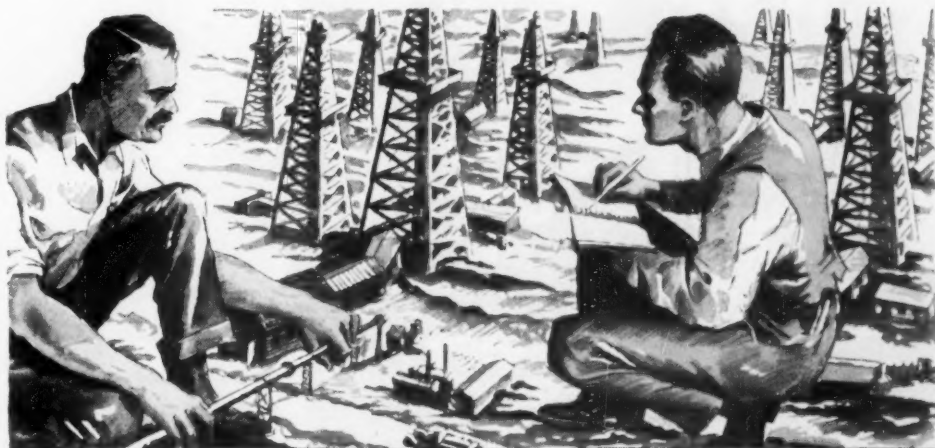
It should be remembered that the petroleum that does not come out through the wells is still there, offering a problem for the future generations of engineers and research men. It is not lost, but can we get it? A good deal is already being done to increase the proportion of oil that comes out and there are good prospects of still further improvement. Gas is the force that pushes oil out of the oil sand and into the well just as ginger ale comes foaming up through the neck of the bottle when you open the seal. Once the gas was allowed to run wild. Now the engineers pay careful attention to it and in California

they have a law for gas conservation.

The job of the gas in bringing out the oil is also made easier by using an air-gas lift to raise the petroleum to the surface instead of making the gas do it. The passage of the oil through the strata is also made easier by pumping down hot oil to remove the gummy and waxy constituents that choke up the passages, and to make the petroleum less viscous.

But we can't get it all

FINALLY it has been found possible to pump air down wells to force petroleum up through adjoining wells, and also to introduce water on the edges of a field to force out the oil. These methods increase the proportion of the original oil that can be obtained but the best



Nobody knows exactly how much petroleum is in the earth's surface or what proportion of the oil that is there we get out of wells now producing

of present technology still leaves a good deal of petroleum in the ground.

After we get the petroleum to the surface, in pipe-lines and tanks, do we make the most efficient possible use of it? The answer is no. Petroleum is not a single chemical substance, but a mixture of related substances that range from gases to solids. The gas originally in the crude petroleum is just as much a part of it as any other constituent. When the petroleum gets to the surface some gas escapes as it is the nature of a gas to do.

Distillation separates them

NOT all the gas escapes, however, and when you put the crude petroleum in a still and heat it you first boil off the remaining gas, then the constituents that have the lowest boiling point and eventually you begin to get gasoline. The lightest gasoline comes off first and as you keep on boiling, slowly raising the temperature, the heaviest stuff that will pass as gasoline, when mixed with the lightest is taken off. Then you begin to get kerosene, and after that lubricating

oils, the lightest ones first, and finally greases, ending up with wax solid asphalt, or, if the process is carried to complete dryness, the petroleum coke that is used to make the electrodes in electric furnaces.

Now that all sounds simple, but as a matter of fact it is a complicated process. The proportions of these constituents also vary greatly in the different crudes. In any plant which makes and sells a lot of things, all derived from one crude material, the exact cost of producing any one of them is largely a matter of bookkeeping. It is the integrated business that makes a profit, but, in the oil industry gasoline is the product that sells in the biggest quantity, has an expanding market, and shows the most profit in production. On the average not more than one-fourth of a barrel of gasoline can be made from a barrel of crude oil by distillation.

Fortunately we have another string to our bow, and that is "cracking" the crude. "Cracked" gasoline has some good qualities that ordinary "straight-run" gasoline lacks. Something like one-

third of the gasoline produced is now made by cracking and the quantity could be greatly increased. However the refiners already can make more gasoline than they can sell.

Gasoline is so cheap (relatively cheaper now than in 1913) that its consumption could not be much stimulated by a price reduction, and if the marketing agencies were able to cut a cent off the price the local authorities would be likely to stick it back on in the form of a tax. So until the supply of crude is reduced it will not be profitable to increase the proportion of gasoline, but when that time arrives we can approximately double, at least, the proportion derived from crude.

Suppose all these possibilities fail us—are there any other chances to keep our automobiles going? There are a good many. Nearly everyone will at once say "alcohol"; at least they would have a few years ago when the alcohol-from-waste myth was more generally believed.

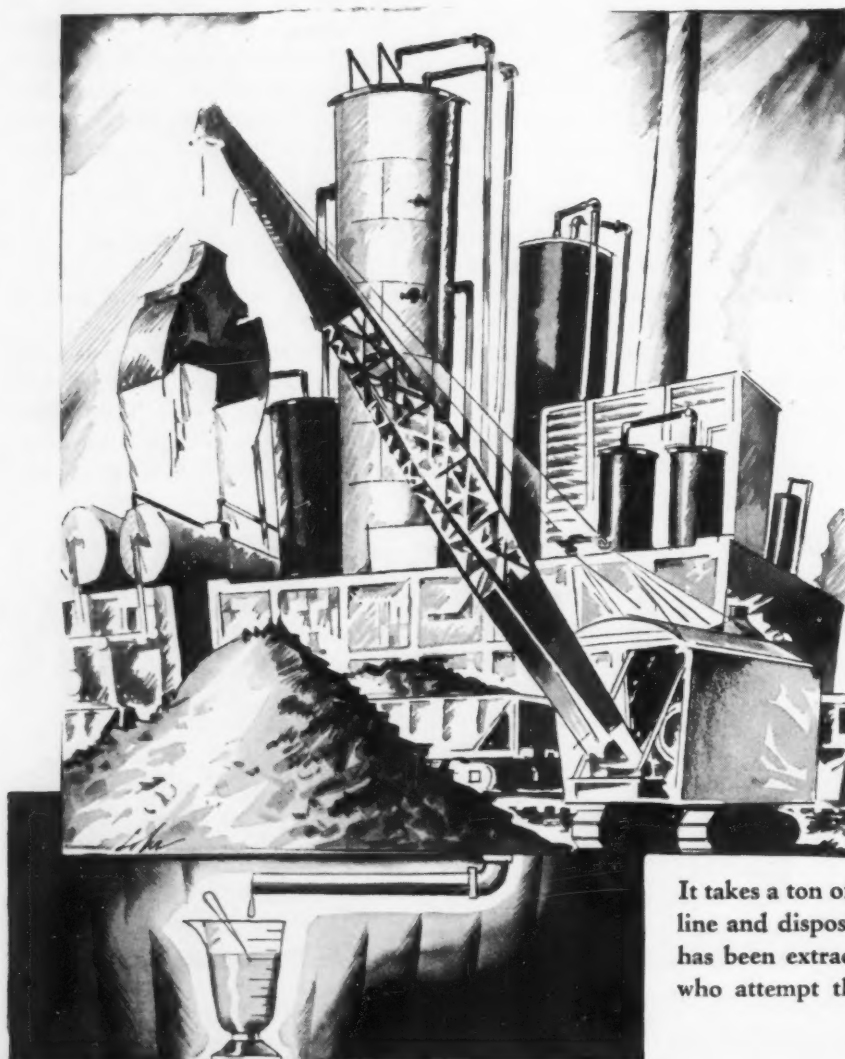
Alcohol is a good fuel for internal combustion engines, but unfortunately you cannot use it in an engine built to use gasoline. Some years ago, when it looked as though gasoline prices would go up in a way that they subsequently failed to do, automobile builders designed a high-compression engine which would give twice as much power, or what is the important thing, twice as many miles per gallon of gasoline.

Solved the problem of knocks

THIS led them into difficulties, for the "knock" became a baffling problem at the high compression. The research men wrestled with it and soon had it on its back; now the motorist can buy "anti-knock" gasoline at almost every filling station. Compression ratios are going up in the engines and considering how unobtrusively these important changes have taken place I am no longer as skeptical as I once was as to the possibility of changing engine design to permit the use of alcohol.

There is another difficulty, however. To make alcohol at a reasonable price you have to use something like corn or potatoes. Most of what is made now

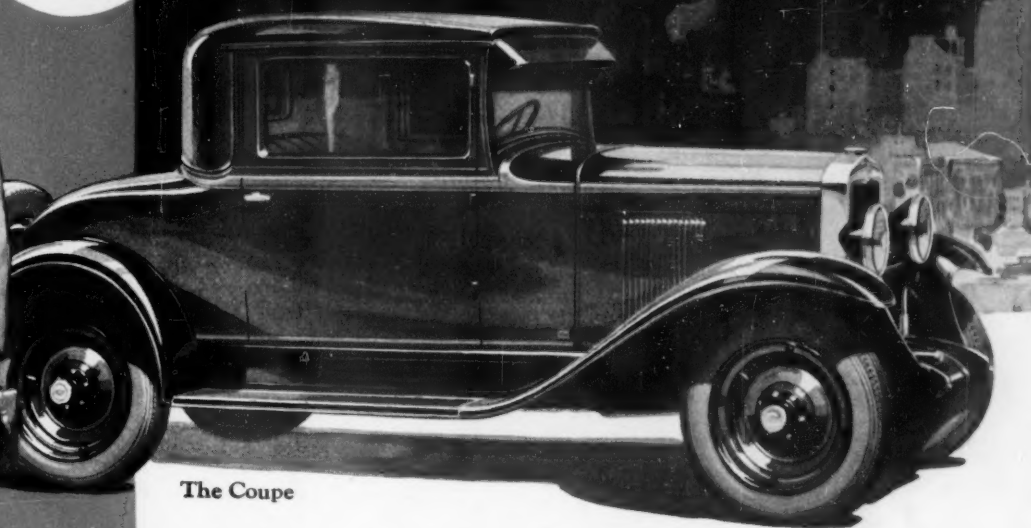
(Continued on page 138)



It takes a ton of shale to make five gallons of gasoline and disposing of the spent shale after the oil has been extracted is a serious problem for those who attempt this operation



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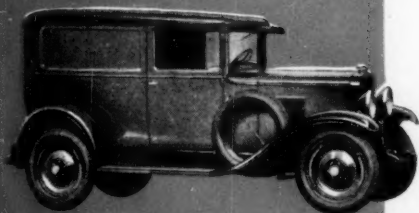


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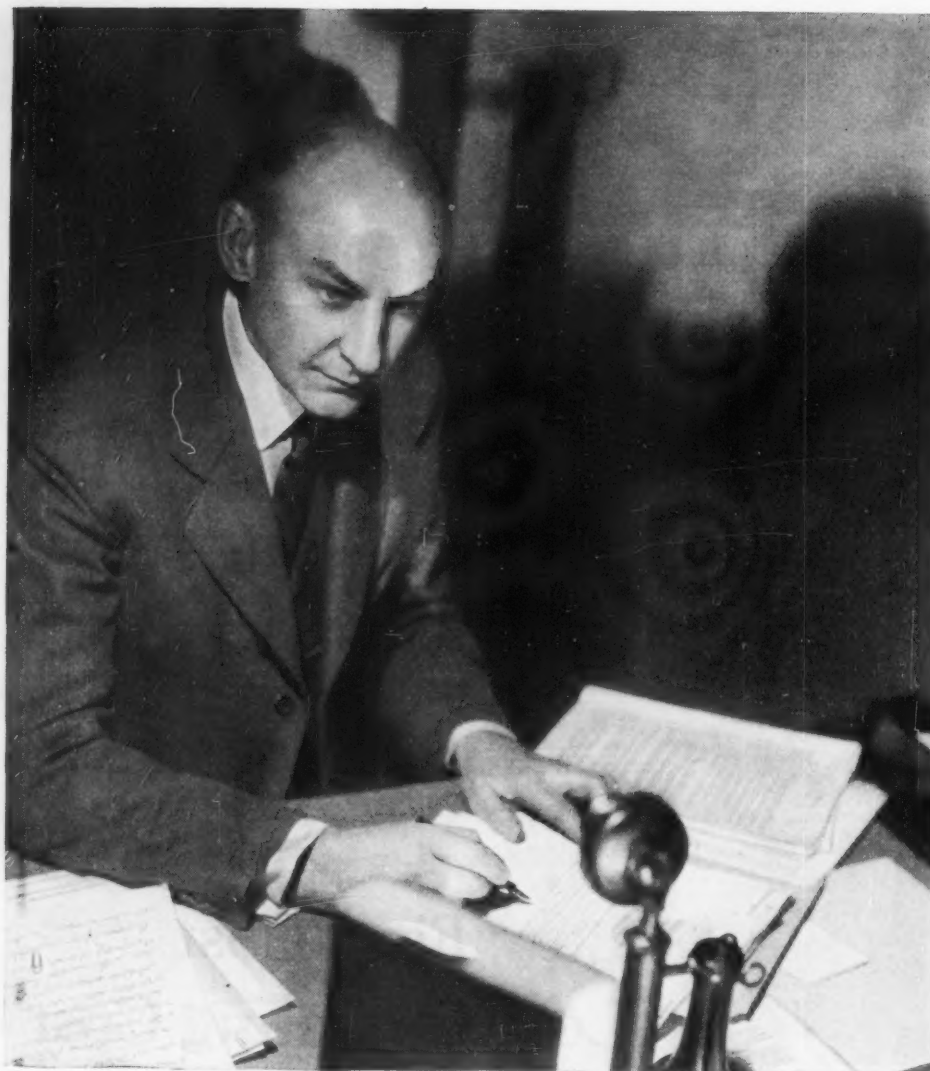
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Dr. Leverett S. Lyon

Those Hand-to-Mouth Buying Myths

By DR. LEVERETT S. LYON

Author of "Hand-to-Mouth Buying" "Education for Business" and other books

HAND-to-mouth buying! Since the buyer's strike of 1920 that phrase has again and again brought a chill to the business optimism of manufacturers. It has brought threatening visions of postponed ordering; of the necessity of running plants with little or no advance bookings; of orders coming in such small units that costs would mount out of all proportion to gross profit. As bad as anything, perhaps worst of all, has been the vision of increasing stocks

FOR more than two years Dr. Lyon, a member of the Institute of Economics of the Brookings Institution, has been studying the subject he writes of here. He is widely known in the field of business education

—of inventories piled high ready to meet whatever business came but always at the risk of a decline in price and consequent loss.

One business leader has declared:

The new system of purchasing has made the manufacturer the storekeeper of industry.

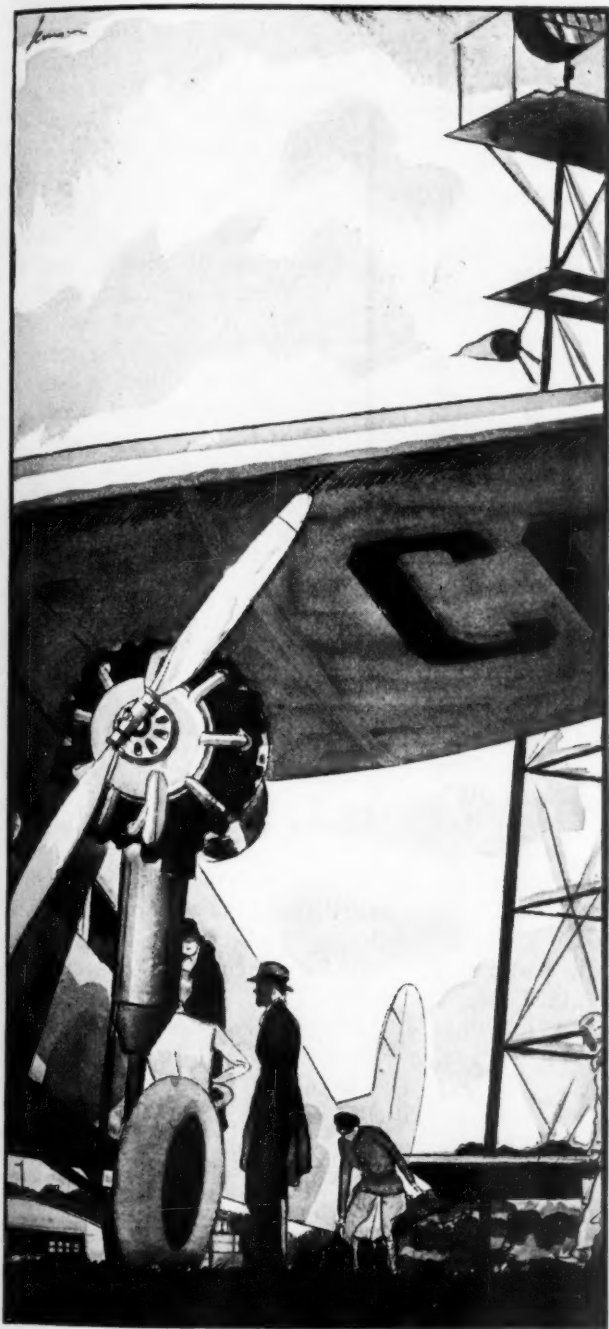
Another has said:

Hand-to-mouth buying has increased distribution costs for the manufacturers, because they are forced to carry larger stocks.

And a third has said:

The introduction of this way of doing business has simply shifted the burden of stocks and inventories from one pair of shoulders to another; the new shoulders

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HE wheels of trade whirl fast today . . . and the item "travel time" looms large on ledgers of profit and loss. For consider this. In twelve hours a man can walk 25 miles; on horseback he goes 45. By motor bus he covers 300, and by train 480 miles. But let him board a plane today . . . and he'll leap 1,200 miles before the twelfth hour is gone!

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For in a swift, sturdy ship of the air—powered by the same dependable Wright "Cyclones" and "Whirlwinds" which have vaulted both Poles and spanned both Seas—you cover the country in the surest, straightest way, and you cut travel time in three!



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are of course those of the manufacturer.

Now that we have had an era of seven or eight years during which it is admitted that hand-to-mouth buying has been more or less general, it is possible to do something better than guess and prophesy concerning its effect on the manufacturer's inventory load. How far has the fear of increased stocks been justified? What does a careful examination of statistics indicate to be the situation?

While no sweeping conclusion can be

A comparison of stock burden for one year with that for another really does tell us whether the inventory load is increasing or decreasing.

Let us consider a number of industries. The stock burden for nonferrous metals will do as well as any other for a first example. Whether we consider copper, zinc, or tin, the load carried by the "producer" has been declining since 1921. The refiners of copper had an enormously high inventory load in

high enough to supply a month's shipments. In 1925 and 1926 stocks at the end of the month were sufficient to supply only about ten days' shipments. This is a two-thirds reduction. For tin the average stock burden at the end of the month in 1927 is only a third of what it was in 1920 and not much more than one-half what it was so recently as 1924.

What about the stock burden in the iron and steel industry? Computations were made for a very large and representative steel manufacturing company, the data covering all products of the company. The stock burden for this company is only about two-thirds of what it was in 1920 and materially lower than in 1921. While higher than 1922, it has been declining steadily since 1924. Considering data for several iron and steel industries, mixed trends are observable. If we consider merchant pig iron, it appears that a heavier load of inventories is being carried.

In steel sheets, on the other hand, there was a definite downward trend from 1920 to 1927, the movement being particularly marked prior to 1926. A stock shipments ratio for steel barrels also declined from 1924 through 1926 but was somewhat higher in 1927.

Smaller stocks on hand now

SAMPLES from the textile industry indicate that in a majority of cases manufacturers have been reducing inventories during the current hand-to-mouth buying era.

Taking the stocks of raw silk held in warehouses, we find considerable variation since 1920 but a fairly consistent decline since 1923.

The burden of stocks in the hands of cotton goods finishers has also been declining since 1923. In 1927, these manufacturers had stocks on hand at the end of a month which averaged about three weeks' shipments. In 1923 they were 25 per cent higher.

In the hosiery industry the trend has been out of line with the other clothing

TABLE I

NUMBER OF REPORTS SHOWING INDICATED STOCK BURDEN
(As a percentage of the total number of reports for each year)

STOCK BURDEN (Average inventory as a percentage of the average month's requirements)	1914 (78 reports)	1918 (92 reports)	1922 (115 reports)	1924 (126 reports)	1926 (131 reports)	1928 (129 reports)
Less than 120.....	10	11	15	17	17	25
120 to 240.....	21	18	22	25	32	36
240 to 360.....	30	25	33	33	37	26
360 to 480.....	15	18	15	12	6	7
480 to 600.....	5	8	4	3	1	0
600 to 900.....	14	13	3	5	5	5
900 or over.....	5	7	8	5	2	1

drawn for all manufacturing companies or for all kinds of goods, it is safe to say, from a survey of many samples of many industries, that hand-to-mouth buying has in many cases lightened the manufacturer's inventories; and decreased his investment in stocks. Certainly no manufacturer, unless he has made careful calculations, is justified in believing that either in his business or in his industry has hand-to-mouth buying increased the inventory load.

Inventories and volume

IN MEASURING stocks and inventories in one year as compared with another, it is extremely easy to deceive oneself. A manufacturer may have compared his average inventory for 1923 with that for 1922, or for 1929 with that for 1928, and concluded that his inventory load is increasing. But his expanding business might easily account for this increase.

One would naturally expect a larger average inventory in a year of 50 million dollar sales than in the year when sales were 40 million dollars. In considering the inventory of one year as compared with another, therefore, one must always compare it to the volume of business done. Such a comparison gives a figure for each year which may be thought of as the stock burden.

1920 and even higher in 1921. (Remember this inventory load is not merely inventories; it is inventories expressed as a ratio of shipments.)

By 1923 the inventories had been reduced, and they have been working down almost regularly through 1927, the last year for which complete data were available. If we compare the earlier years with the later ones, we get a striking contrast. In 1920 and 1921 copper refiners had enough stocks on hand to supply about five and a half months' shipments. In 1926, stocks carried were not sufficient for three weeks' shipments. The ratio for 1927 was only slightly different.

The figures on tin and zinc are interesting, though less striking. With zinc ore we can go still farther back along the line of production—still farther back among those producers who are supposed to be unable to dodge the heavy inventory load that has been shifted backward.

At the end of the "average" month in 1923 stocks of zinc ore at mines were

TABLE II

MATERIALS ON HAND	1914	1918	1922	1924	1926	1928
Less than 15 weeks' requirements	61	54	70	75	86	87
Fifteen weeks' requirements or more.....	39	46	30	25	14	13

and textile samples, due, quite probably, to the vigorous efforts which many hosiery manufacturers have made to keep stocks in their own hands and to control the purchases and inventories of retailers.

Few manufacturers show a more striking gain—that is, a lessening of stock burden—during the current hand-to-mouth era than do the packers of meat products. The packers have been able to decrease their stock burden to a remarkable degree.

For beef, the inventory expressed as a ratio to sales has declined almost continuously since 1919, and since 1921 it has in every year been much lower than in any of the six years preceding that date.

For pork products the story is much the same. The year 1926 showed the lowest stock burden of any year for a series of 13 years covered. Nineteen twenty-seven and 1928 were only slightly higher. There was no year from 1916 through 1921 when stock burden was so small as it has been in every year since.

Packers of canned foods—vegetables, fruit, and salmon—have not been as fortunate as the meat packers. There are no general figures for this industry, but judging from reports obtained from more than 50 important canners, it must be concluded that their stock burden has been increasing rather than decreasing during the hand-to-mouth period. Even in this industry, however, there are, among individual companies, a number of marked exceptions.

Shoe inventories are lower

WHAT is to be said of the manufacturers of boots and shoes? Here again no general figures are available, but the inventories of eight important shoe manufacturing companies were studied. For three of these companies data were available for 13 years. These companies show an average stock burden much lower since 1920 than for the five years preceding. There was an upward trend from 1921 through 1926, with an improvement in 1927.

The manufacturers of building materials as a general class seem to have had an experience out of line with the majority of industries. Every sample of this industry showed increasing inventories during the hand-to-mouth buying era. The stock shipments ratio for Portland cement manufacturers has been rising since 1923.

All the conclusions stated up to this point, have been reached, excepting where otherwise indicated, from figures published by the Department of Com-

merce. A more direct answer to the question of stock burden was attempted by obtaining from more than 130 purchasing agents replies to certain questions on what was happening to their inventories. This brought into the picture a great range of industries.

Stock burdens vary greatly

THESE purchasing agent returns were analyzed by statistical methods. When this was done the evidence was strong that the stock burden of raw materials carried by manufacturers has shown a marked decline during the last ten years. The reports showed a great variety of stock burden as among different materials, among different companies reporting on the same kinds of material, and as among various years.

In some cases it was reported that the average inventory was less than 120 per cent of the manufacturer's average monthly requirements. In some cases more than 900 per cent was reported. But did the reports showing a low stock burden become a larger proportion of the replies occurring in a given year as 1928 was approached? Or, as the years from 1914 to 1928 were passed, did the reports more commonly show that a larger supply of materials was necessary in proportion to manufacturing requirements? *The returns were positive in showing that the stock burden of materials has declined greatly during the past ten years.*

A glance at Table I shows that an increasing number of cases fall into the low burden classes as the years pass. The proportion of the cases in which a stock burden of less than 120 was reported more than doubled from 1914 to 1928. While in every year from 1914 through 1926 a stock burden of from 240 to 360 is the one most commonly reported, in 1928 a stock burden of from 120 to 240 has become the most common.

Another way of presenting strikingly the smaller stock burden of recent years is by showing the percentage of companies having on hand materials for less than 15 weeks, and those having materials for 15 weeks or more.

Table II shows that by 1928, some 87 per cent of the companies had reached something better than a 15-weeks basis. In 1928 only a third as many concerns as in 1914 were carrying supplies enough for operations of 15 weeks or more. From such evidence it seems necessary to conclude that while there are many exceptions, American manufacturers have as a whole been reducing their burden of raw materials.

How can this improvement be accounted for? The answer, though at first seeming difficult, is, perhaps, after all, easy. We commonly think of hand-to-mouth buying as a trade practice of merchants, but hand-to-mouth buying is also a trade method of manufacturers. Manufacturers, like merchants, have learned the advantages of keeping inventories low, of increasing turnover, and of running their businesses on an engineering rather than a speculative basis.

In practicing hand-to-mouth buying manufacturers have two great advantages over merchants. The first of these is that they are in a position to profit even more than merchants by the marvelous improvements in freight transportation which have been made in the last few years. Merchants always require seasonal shipments to some degree. So do manufacturers, but the manufacturer's operations are typically more steady and spread through the year. He thus gains more than the merchant by the new everyday dependable service of railroad companies.

Small shipments cost more

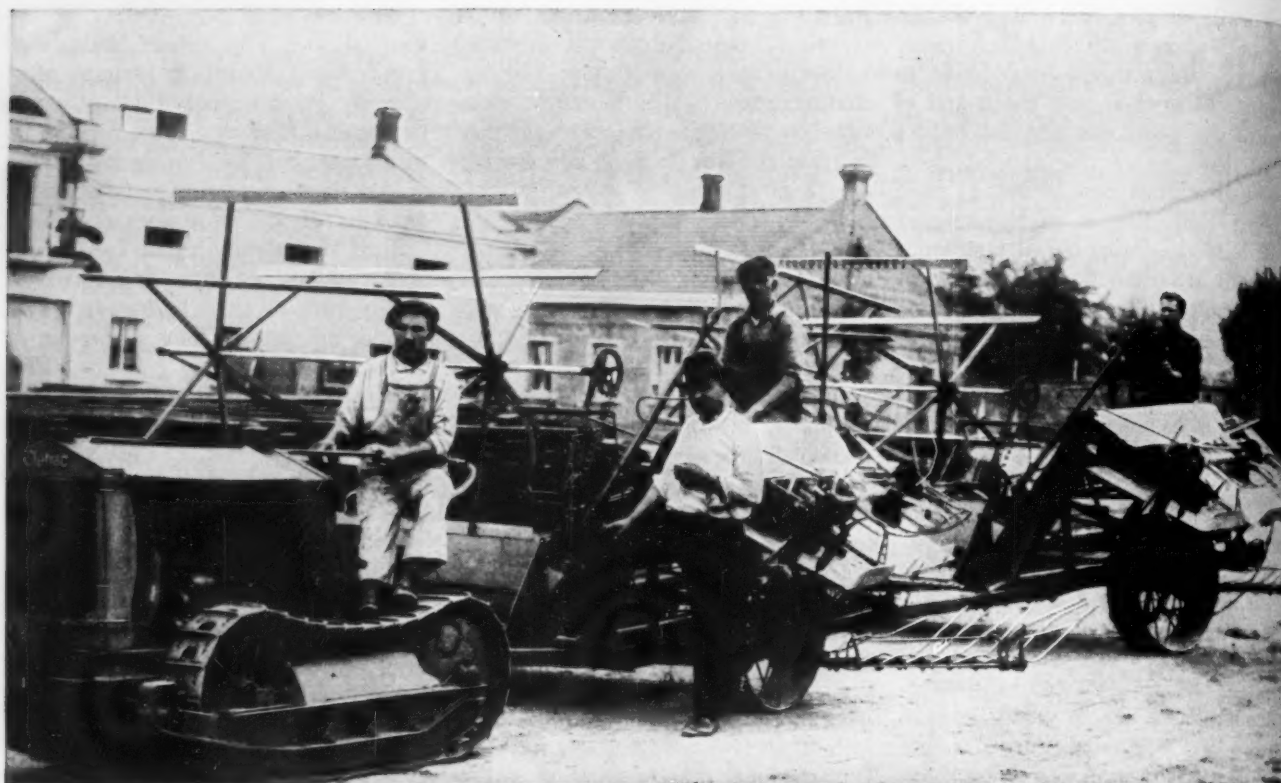
MOREOVER, when the merchant attempts to escape seasonal or semiseasonal shipments by placing small orders, he, much more quickly than the manufacturer, falls below car-load lots and feels the attendant increase in costs.

Quite as important is the gain of the manufacturer through the tendency toward standardization and simplification. This strong trend of the last few years has been most pronounced in raw materials and semifinished goods. To the extent that this tendency is in effect, the manufacturer is able to reduce the number of items which he must stock.

When he couples this with hand-to-mouth buying methods and the smallest possible inventories, he is making a real gain.

The merchant may strive just as hard to carry the smallest possible inventories, but his efforts to buy hand-to-mouth in this way have been in part frustrated by the development of an ever-widening variety of styles and designs. For while hand-to-mouth buying reduces his inventory in each line, he has had to increase the number of lines.

Considering both the data and the forces at work in American industry and trade, it seems reasonably clear that the philosophy and the practice of hand-to-mouth buying are likely to yield greater returns in the reduction of inventories to the manufacturer in general than it is to the merchant in general.



American tractor and binder leaving village for farms in the great Russian wheat belt

EWING GALLOWAY

American Business in Russia

By BERNHARD KNOLLENBERG

Of Lord, Day & Lord

PART II

IN forming the opinion, expressed earlier in this article that Soviet Russia will fulfill all obligations which it has itself contracted, I have not ignored the fact that one of the first acts of the Soviet Government was to repudiate the old Tsarist and Kerensky indebtedness and to confiscate property of foreigners as well as of Russians.

But the present Russian regime is somewhat like a corporation which, having gone through bankruptcy, is now asking for a new line of credit. The past unsatisfactory record of the corporation will naturally be given adverse weight by the prospective creditor, but the latter's primary inquiry will be as to the integrity and ability of the present management and the future prospects of the company.

I talked with Central Commissars (cabinet ministers), members of the

concessions committee and heads of a dozen or more state trusts in widely separated localities ranging from Moscow to Batum. Without exception, the faces, bearings and conversations of these men gave me the impression that they are of high character, energy, and ability—men who would be leaders in any country.

The great majority of them are men in their early forties who have worked their way up from the ranks. The language difficulty in Russia has, by the way, been exaggerated; a large percentage of Russian business men speak

German, and competent interpreters are readily obtained if no common language can be found.

Rich peasants oppose government

AS to future prospects, I think that the Soviet will not be overthrown. The well-to-do-peasants, *kulaks*, have had most of their holdings confiscated by the Soviet in recent years and are therefore, as a class, bitterly hostile to the present government. But they have little power in comparison to the great masses of the poorer peasants, the *bedniaks*,

- IN THE first part of this article Mr. Knollenberg, whose information was acquired in first-hand study of Russian conditions at the request of a New York banking firm, discussed labor costs and efficiency, taxes and the amount and sort of state control to be expected in Russia

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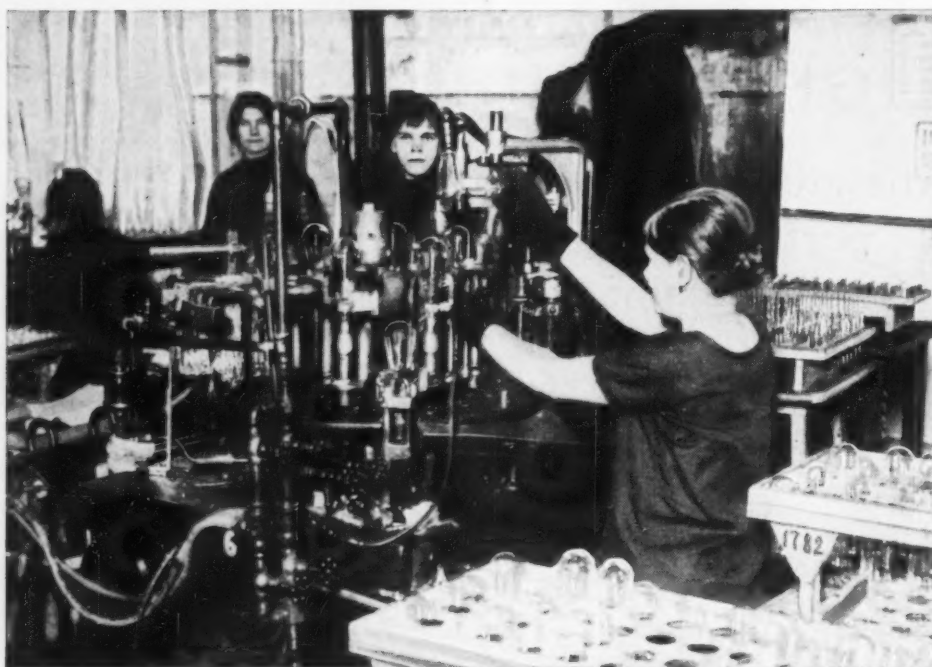
NEW YORK — TORONTO

DISTRIBUTORS' DEPOTS IN 83 CITIES



The Soviet is striving to replace archaic tools such as these with steam shovels and trucks

WHITING WILLIAMS



Women workers are taking important parts in the carrying out of the industrial phases of the Soviet Government's five-year economic program

who are gradually falling into line with the socialistic program of the urban, industrial workers.

This conversion of the peasant masses to Communism is apparently due in part to the fact that Stalin, the undisputed head of the Soviet Government since the expulsion of Trotzky, is himself of peasant birth and has the confidence of the rank and file of the peasants. Primarily, however, the *bedniak's* change in attitude is due to the fact that they are beginning to appreciate that the Government's agricultural and social reforms are of practical benefit to them.

In Moscow I met Hindus, whose book, "Broken Earth," published in 1926, gave a vivid and convincing picture of Russian peasant life under the Soviet.

Economic conditions are better

ALTHOUGH the peasant situation as portrayed in "Broken Earth" had certain elements of hope, the picture as a whole was gloomy. Hindus states that, in the intervening three years, there has been a marked change for the better. The economic condition of the peasant has improved; he has begun to cash in on the benefits of the modern

machinery and improved agricultural methods, and the Soviet's educational and social work has opened up for the peasants, both men and women, a new and happier life.

Somewhat paradoxically, the danger, if any, of an explosion seems to threaten from the industrial workers, who are responsible for the present Government, rather than from the peasants. The Soviet Government is in the midst of a far-reaching program of expansion of the country's basic industries.

To an outsider, at least, there seems to be some danger that the country's industrial plant will out-

strip the executive and technical staff and the capital needed to make effective use of it. The Russian workman has been induced to accept severe sacrifices of food, clothing, and household furnishings, on the promise that investments in modern plants and machinery will soon result in a great increase in his standard of living.

If the Government falls down in its promises, the industrial classes will not be easily appeased.

Such a failure would, however, probably lead to the unseating of the present leaders rather than to an overturn of the present form of Government. In con-

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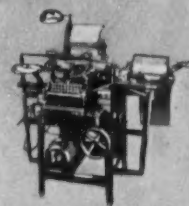
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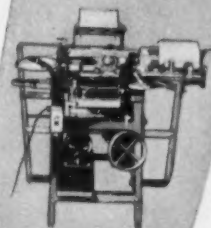
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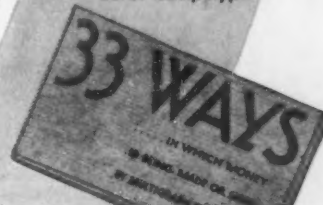
5B Folder



Keyboard Compotype.



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American Multigraph Sales Co.,
1806 East 40th Street,
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Name

Business

Address

sidering an investment in Russia, the prospective concessionaire will be confronted, from the beginning, by discouraging considerations. First, there is the inflexible rule that, with certain relatively unimportant exceptions, the plant and business built up by the concessionaire shall pass to the Government, without compensation, at the end of the concession period.

High returns are needed

THE concessionaire must, therefore, crowd into the concession period sufficient profit to amortize his capital as well as yield him an adequate return on his investment. Since, however, the concessionaire is offered practically a monopoly in many lines of industry, he may well realize much greater profits than would be possible for a concern engaged in a similar business in western Europe or in the United States.

Second, the Government's present concessions policy is in conflict with the underlying principles and policy of the Soviet Government. It is admittedly but a truce with private capitalism made solely to speed up industrialization at a rate beyond what would be possible with the limited capital and technical skill now available in Russia itself. There are many means by which the Government could ruin the concession-

aire with no technical breach of the concession contract.

It could, for example, cause an amendment in the labor laws; it might remove the embargo on importations or reduce the tariff; it could cease to purchase the concessionaire's products and supply its needs from abroad; or it might start a competing plant and undersell him.

If the need for outside capital were likely to continue for only a brief period, these factors would make investment in Russian concessions exceedingly hazardous. But the need for outside capital will almost inevitably be growing for many years.

For example, Russia is about to begin construction of a forty-million-dollar automobile plant near Nizhni Novgorod on the Volga River.

The materials and machinery going into this plant will be paid for in part out of capital accumulated by the Soviet through the sale abroad of oil, lumber, furs, and other Russian products, in part by credits from foreign manufacturers. The capital invested in this plant will, however, be of value only if and when supplemented by the investment of even greater amounts of capital; capital for the plants to produce the cement with which to build the roads on which the automobiles are to run; capital for the garages and filling sta-

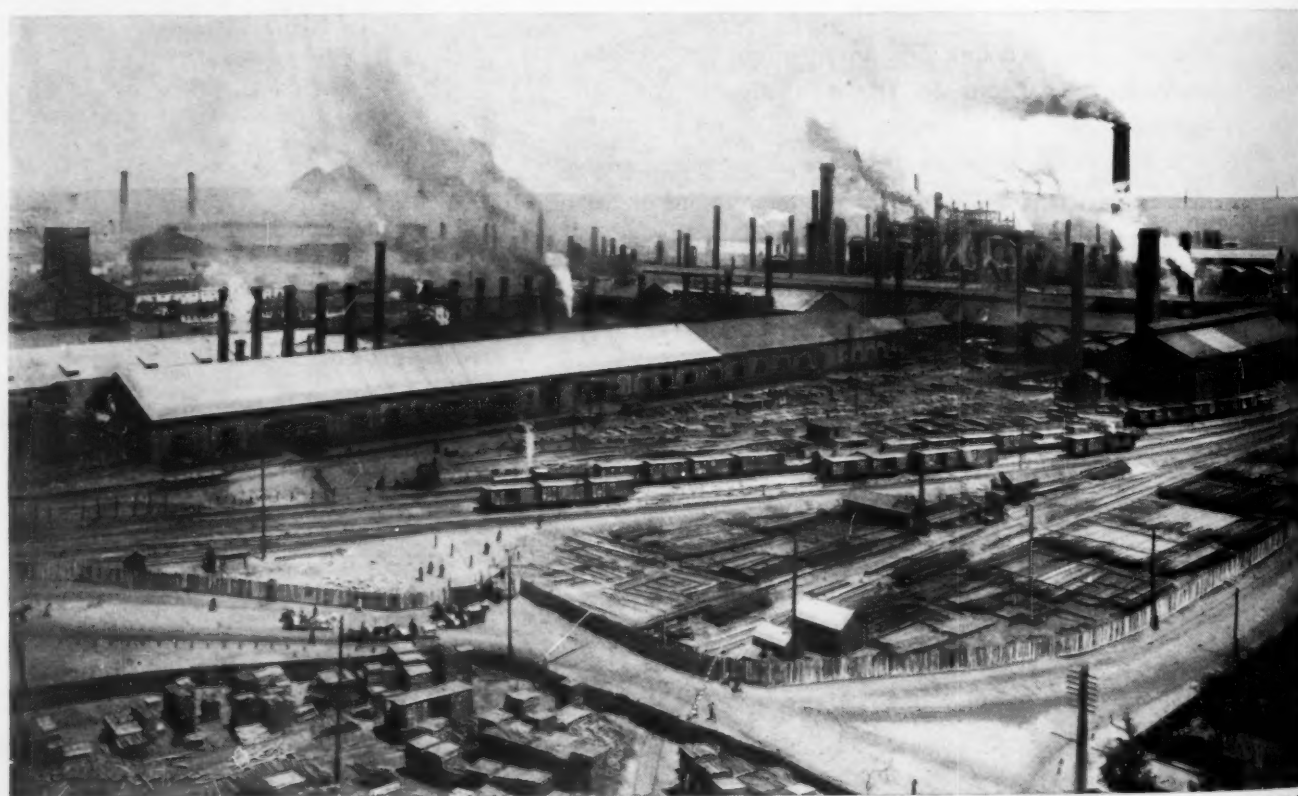
tions along the roadsides; capital for the factories to make new tires; and capital with which to purchase the crude rubber and the cotton fabrics to supply the tire factories. Most of this capital will have to come from outside sources.

This House-that-Jack-Built situation is common to every investment of capital now being made in basic industries in Russia. The Russian industrial program is vitally dependent on a long-continued influx of foreign capital. Every responsible Russian official appreciates this. Self-interest makes it essential that the earlier investors be well treated.

Little present risk of loss

SOME day, perhaps 50 years hence, when Russia has accumulated the capital necessary to make it possible to dispense with foreign credits, the Russian Government may begin to plunder the foreign concessionaire, but this risk is, at present, relatively unimportant. The concessions which the Soviet is now ready to grant have been designated with a view to Russia's most immediate needs. Manufacturing concerns, mining companies and public utilities which are equipped with executives and engineers trained in the fields covered by these

(Continued on page 265)



The coming need in Russia is for technical and executive training to operate plants like this gigantic steel mill, now operating in the southern part of the U. S. S. R.

ANTORG TRADING CO.

How SUN-MAID



safeguard their products and profits

SUN-MAID products are known wherever civilized people exist. Their production runs into millions of packages yearly.

Millions of packages! Each must be filled, weighed, sealed. A slight inaccuracy in weighing or waste in filling, multiplied several million times, would mean thousands of dollars in lost profits.

So important is this production to Sun-Maid that they have invested over three quarters of a million dollars in Pneumatic Scale packaging machinery. In an unsolicited letter, Mr. Harry M. Creech, president of the Sun-Maid Raisin Growers Association, says, "We want to confirm again the excellent performance your machinery is giving. It was necessary for a time to operate these machines 16 hours a day and our records show they gave us better than 95% efficiency."

Sun-Maid, like the majority of America's leaders in mass production, found the answers to their packaging problems in Pneumatic Scale machinery. Their first Pneumatic Machine was purchased in 1923. Today they use 98 Pneumatic Machines to make their packaging operations efficient and completely automatic. Pneumatic engineers are at the service of large or small manufacturers without obligation. Put your problem up to them.



HARRY M. CREECH, President
Sun-Maid Raisin Growers Association

PNEUMATIC SCALE PACKAGING MACHINERY

PNEUMATIC SCALE CORP., LTD., NORFOLK DOWNS, MASS.

Branch offices in New York, 26 Cortland St.; Chicago, 360 North Michigan Ave.; San Francisco, 320 Market St.; Melbourne, Victoria; Sydney, N. S. W. and London, England.

IN A LETTER expressing his appreciation of the integrity shown by the Pneumatic organization, Mr. Creech says in part:

"We also want to confirm again the excellent performance your machinery is giving. For example, it was necessary last fall and again this fall, because of peak-load conditions, to operate the thirty-seven 15 ounce machines for a time sixteen hours a day at forty-five to the minute. Our records indicate that they gave us better than 95% efficiency."

The Market Auto Salesmen Ignore

By FREDERICK C. RUSSELL

DECORATIONS BY GUY FRY

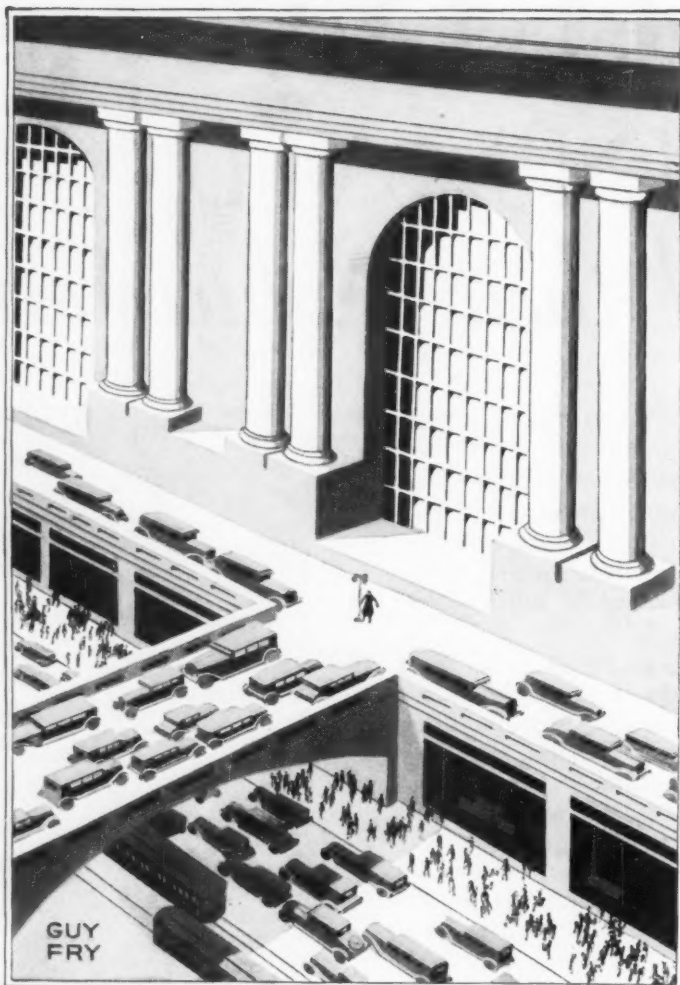
THE automobile industry is in the unfortunate position of not being able to see the woods for the trees.

Millions are being spent to sell present car owners new models. Virtually no sales effort is being put into the work of developing new car owners. Even a hasty check of conditions leads to the conclusion that whether or not there will be 50 million motor cars in the United States in 1950 depends on whether the automobile business wakes up to the fact that the biggest market of all—that vast group of carless citizens—is utterly neglected.

Today's job for the army of people who are trying to find a suitable outlet for the motor world's increasing output is simply a matter of asking the man who doesn't own one.

The carless citizen is legion. Eliminating minors, he outnumbers the car owner about two to one. Most important of all, he holds the key to sales resistance.

No one knows more than the person who doesn't own a car just why he isn't in the market. Perhaps he thinks he isn't financially able to get aboard the gasoline band wagon or entertains some



Streets are better arranged for traffic than they were five years ago. We are double-decking and widening them



HERE an observer of motoring who claims that there exists an automobile market twice as large as the market salesmen have already explored. If he is right auto agencies apparently are missing a good bet. If he is wrong, his argument is at least interesting and includes some pointers toward persons who appear to be good prospects

antiquated notion regarding the folly of progressing by going into debt. He may fear personal injury. He is likely to fear traffic, his attention having been directed to the risks of congestion by the automobile industry itself! He probably thinks he cannot drive. Women have the same fears, and more.

Misdirected efforts

NINE OUT of every ten automobile salesmen concentrate on trying to sell new cars to persons who already have machines. This accounts for the large percentage of used cars which cannot be sold at anything approximating their intrinsic value, machines that are turned in too soon. As a few of the progressives in the automobile industry have observed, without this surplus of used machines it would never have been possible to reach the present high water mark of national registrations.

Salesmen have sweat blood to put millions of used cars on the roads. Today we need a little more sweating.

A friend of mine owns two machines that will be difficult to sell to the now discriminating used car buyer. One is a discontinued make; the other a

discontinued model by a concern that now concentrates on low priced vehicles. Every salesman in town with a car listed at more than \$2,000 is trying to interest my friend in turning in these cars for a 1930 job. When he decides to sign on the dotted line, the dealer will take a loss on the transaction. The salesman will take a commission he has not really earned. In addition to being unable to obtain good service, the man who buys these cars is likely to find that his make of car has no local representation. This has become such an old story with the automobile business that many on the inside think it is inevitable.

Meanwhile I am thinking of two widows whose incomes are so liberal that they are able to maintain permanent residences in fashionable neighborhoods and at the same time spend the unpleasant seasons in travel. No automobile salesman has approached either woman although each motored extensively when her husband was living.

Counting the tenants of a high rental apartment house I was interested to note that of 27 adults, physically capable of driving and financially able to have cars, only 14 owned automobiles. Three additional adults were financially able to employ chauffeurs. Behind this apartment house is a garage where rentals average \$10 a month. Parking is unlimited at the curb. Only three families in this building own two cars.

Neglect new fields

ALMOST all the selling effort directed toward tenants in this building is concentrated on the three families which already have reasonably sufficient transportation. One retired executive in good health never sees an automobile man from one year to another.

I have selected a group of persons in very comfortable financial circumstances to emphasize the fact that the automobile trade has not even developed the market which offers the least sales resistance. Salesmen as a rule do not so much as bother with persons who fail to show visible evidence of having the ability to pay. Where would the household furniture business be today if it had entertained a similar notion?

The newlyweds could just as well board as keep house. It might be even more economical. But the furniture in-

dustry and the realtors have sold the idea of home ownership. If the young folk can't pay usually there are parents to give a helping hand. The automobile industry would sit up and take notice if it realized how many cars dad actually pays for.

"What, no cars?" I recently asked a newspaper reporter. Several of the other fellows in the city room have machines of their own although they invariably have to look up a showroom when they're interested in buying. It seemed strange that this young man should be obliged to do so much leg work and that as correspondent for a metropolitan daily he should forfeit so many good opportunities to get into the outlying country for special stories.

He explained that he had just married. He sold his small car to help defray the expenses. He seemed to feel that the cost of a car was the main stumbling block at present, but talking with him I came to suspect that what he needed most was one of those thrilling sales talks we used to get in the old days when owning an automobile was something of an adventure.

The automobile business, to my



Whether we are to have 50 million motor cars depends on the salesmen

mind, is devoting too much time to re-selling those who already are sufficiently enthusiastic.

One great big tree, like the traffic at Fifth Avenue and Forty-Second Street, blinds many an automobile man so that he cannot see a fraction of the street and highway mileage that is literally deserted.

One does not have to leave New York City to find routes that are free of traf-

fic signals and where parking is no problem at all.

Many paragraphs have been devoted by one New York newspaper to urging motorists to utilize secondary routes in order to avoid week-end congestion. No end of convenient and enjoyable routes have been discovered for New Yorkers in this way. Automobile editors of the leading newspapers are doing for the automobile industry what that industry should be doing on a far more extensive scale for itself and for its own best interests.

Should educate the public

I BELIEVE the automobile is one of the few articles marketed today which does not carry with it a set of directions for use. The instruction book simply tells what to do to keep the car from falling apart, and works in a few suggestions on handling it so that the purchaser will not immediately try to start in high gear and then claim he has bought a lemon.

The manufacturers simply assume that the buyer will find out for himself the innumerable uses to which he can put his new possession. I cannot imagine the makers of electric refrigerators taking any such chances with their buying public.

So far as I have been able to ascertain no automobile manufacturer has taken the trouble to educate the public to newer and more convenient ways to use automobiles, to store them, to park them, in short, to make the present car owner such a booster for automobiling that he will go to his friends who haven't cars and say "Do" instead of "Don't."

I concede that occasional tips are passed along to the reading public by the automobile manufacturers as publicity, but this is a rather narrow way to stimulate a market the size of the unsold public.

One great trouble with the automobile business today is the fact that there are too many automobiles in Detroit. A manufacturer who sees a thousand cars come off his own assembly line each day has considerable difficulty getting his mind on some bank clerk or housewife in some distant small town who hasn't even a second-hand flivver.

There is something, too, in the fact that it is easier to drive a car around the Grand Central district of New York City today than it was five years ago. The streets are better arranged for traffic control and flow, because of the improvements that have been made in the terminal's ramp. It is easier to take

SELF-INFLICTED ROBBERY



...in the Brake Lining business

YES, robbery *is* going on in the brake-lining business—robbery which victimizes most of the motorists who are having their brakes relined. Yet it is self-inflicted robbery, imposed upon themselves by the very motorists who are being robbed.

Here is the simple truth:

Few motorists realize that over one-half the cost of relining a set of brakes is for labor; *less* than one-half the cost is for the brake lining itself. Yet the service which the relining job gives depends almost entirely on the quality of the lining used.

It is obvious, therefore, that it pays to use not merely an ordinarily good lining, but the very best lining. That is the only way to make the most of the labor for which you pay. The lining will cost a little more per foot,

but the difference it will make in mileage—in continued safety—and in better service—is tremendous.

Motorists who disregard these facts (and do not allow the service station to spend the few cents extra that are needed to get the best brake-lining) are simply robbing themselves. They are paying for labor, but not getting the benefit of it.

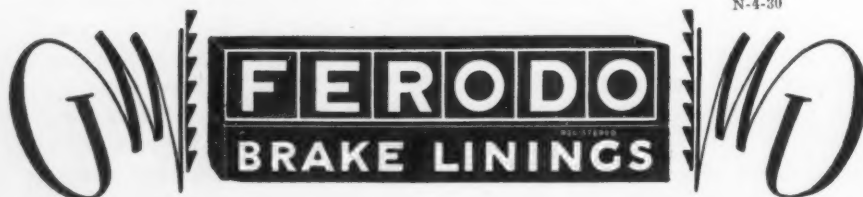
Help put a stop to this practice. Resolve right now that next time you have your brakes relined you will specify Ferodo Linings. Frankly, they cost a few cents more per foot. But they require no more labor to apply, and they give a tremendous increase in braking mileage, besides additional safety and a unique degree of silence.

FERODO AND ASBESTOS INCORPORATED

Manufacturers of Ferodo Bonded Asbestos Brake Lining in rolls, Ferodo Pat. Die-Pressed Brake Segments, and Ferodo M-R Lining.

Factory and General Offices: New Brunswick, New Jersey

N-4-30



When writing to FERODO AND ASBESTOS INCORPORATED please mention *Notion's Business*

on and discharge passengers at the hotels and office buildings. A surprising amount of parking space in the larger cities is available if a motorist uses his head to look for it.

The trend in the larger cities is toward parking in specially constructed, automatic skyscrapers. But the streets are getting no smaller. In fact we're widening them and double-decking them. Fifty million cars are coming if for no other reason than the fact that there is going to be plenty of room for them.

This is the message that could be sold to hundreds of thousands of persons in New York City alone. They have plenty of funds to invest in cars. To be induced to make those investments they simply need to hear the more optimistic, progressive side of the subject.

Planning for a 1935 car

I WONDER just how closely the automobile industry is following the process of decentralization. How many automobile men—and how many bankers who are worrying over the financial status of the local dealer—have thought of urging a million or more young men to set aside so much a month from their incomes as savings for the purchase of a 1935 model automobile?

When a security salesman meets the argument of financial inadequacy he promptly suggests that the customer negotiate a loan and take a distant view of the future. He discusses the trend in the customer's line of business, points out the possibilities for advancement and turns the thought to future income rather than present wealth. The securities are bought largely on a basis of hope, aspiration and determination. Every business house progresses by the same rule.

My own contribution

AS my little bit toward developing the vast new market that points to the 50 million goal I reminded a bank teller that his superior is such a good organizer he is quite likely to be called to some higher service in the near future. Everyone in the bank who is subordinate to this man would move up a peg—to higher salaries. My acquaintance had never considered this at all.

The mystifying part of it was that someone should have had to tell an automobile salesman about a prospect he could just as well have developed himself—a year ago.

When buying cars for business use consider these

4 SIGNIFICANT FACTS

An analysis of the Oakland Motor Car Company's fleet sales for the past two and one-half years reveals these four significant facts:

1 Among the large number of fleet users of which we have record, 67 prominent companies, in 38 principal business fields, have each bought 25 or more Oakland and Pontiac cars.

2 These 67 companies alone have purchased a total of more than 5000 Oaklands and Pontiacs—an average of 75 cars per company—during the two and one-half year period.

3 Each of these companies bought additional Oakland and Pontiac cars in 1929.

4 And their 1929 Oakland-Pontiac purchases alone total 2000 cars—an average of 30 cars per company—or 40% of the entire number of Oaklands



and Pontiacs which they have purchased during the time that this record has been kept.

These firms have made careful tests of the fleet performance of Oakland and Pontiac cars. They have kept accurate records of the cost-per-mile of operation and maintenance. The result is that they have become regular Oakland and Pontiac users, with each year bringing important increases in the number of Oakland and Pontiac cars which they employ.

Such facts surely deserve the consideration of a man responsible for holding his firm's transportation expense at a minimum. If that applies to you we will gladly tell

you what savings you can reasonably expect to effect in your fleet operation costs with the New Series Pontiac Big Six and the New Oakland Eight. Write to the Fleet Department for complete information. We will also send our Fleet Users' Plan of co-operating with you to reduce sales expense.

The New Oakland Eight, \$1045 and up. The New Series Pontiac Big Six, \$745 and up. All prices f. o. b. Pontiac, Mich., plus delivery charges. . . . Oakland Motor Car Company.

OAKLAND PONTIAC

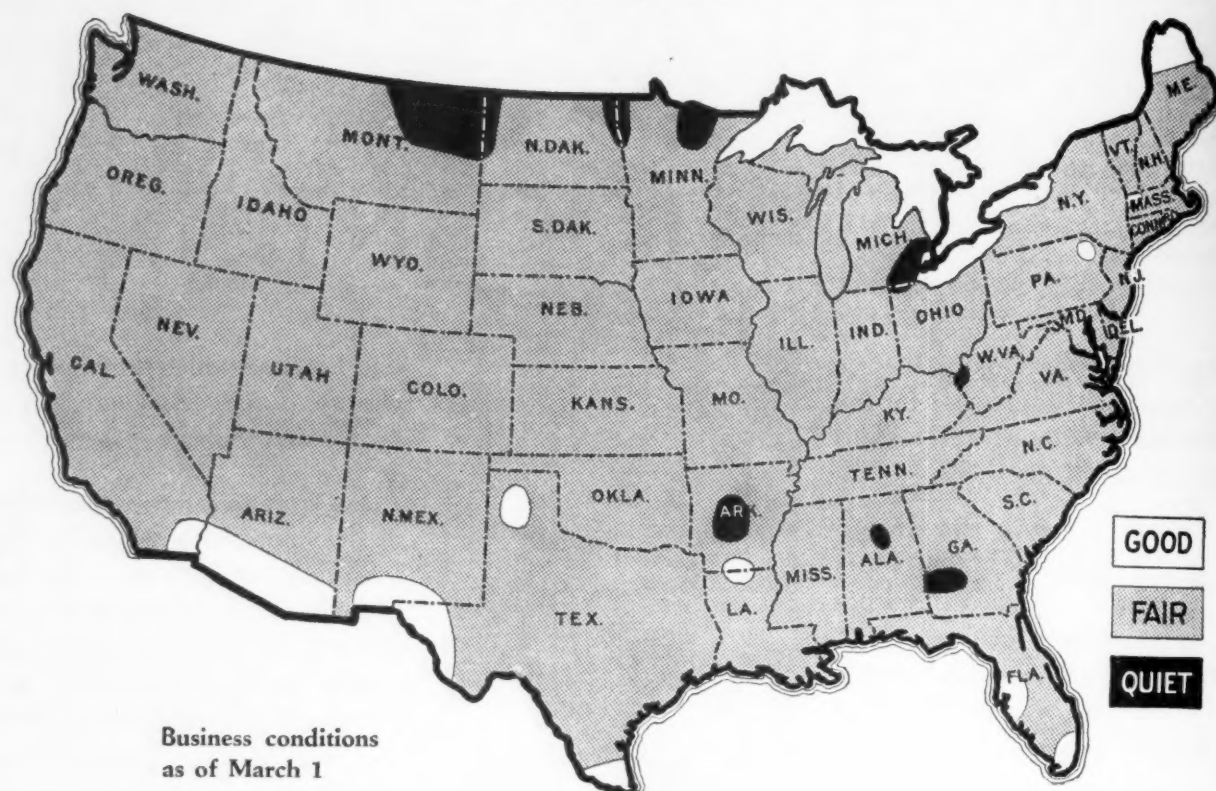
EIGHT PRODUCTS OF GENERAL MOTORS *SIX*

When writing to OAKLAND MOTOR CAR COMPANY please mention Nation's Business

The Map of the Nation's Business

By FRANK GREENE

Managing Editor, Bradstreet's



Business conditions
as of March 1

EARLY March found business conditions as a whole brighter than in February, or, for that matter, in January. February did not quite measure up to anticipations in general trade and industry, possibly because the cheerful tone evoked by the activity in steel was not maintained.

This slight sag in steel activity, as well as the slight hesitation in the automobile trade, were partially absorbed, however, by enlarged activities in agricultural implement and machinery lines.

Neither in trade nor in industry were operations in February on a par with the same month a year ago, hence the feeling that the first quarter of this year will not show up nearly as well as that a year ago.

It is idle to disguise the fact that the feeling of optimism evident earlier this year has been somewhat impaired, and that the bridging of the usual mid-

BUSINESS conditions in early March were better on the whole than in February or January. The country is still suffering from the stock-market shock and the deflation of prices in some commodities, but the feeling is general that business will improve with the coming of spring and open weather

winter gap in outdoor as well as indoor operations has not been effected.

Expected too much too soon

THERE were, of course, those who thought that too much was being expected too soon after the autumn stock-market break, and that something like a "secondary reaction" was probable. Whatever the reasons, there now seems to be evidence that a feeling of hope deferred has taken the place of the former confidence, and the cheerful feeling

earlier noted has been tempered by realization that open weather will be needed properly to launch the big things that are still confidently expected to take form and shape in current and succeeding months.

The continuance of the weakness in commodity prices, noted throughout last autumn, has caused a revision of earlier plans in both domestic and foreign trade.

As this is written, reports come from trade authorities of an easing off in steel buying and in operations at most steel centers, that the further break in cotton has depressed prices of manufactured goods in domestic markets without any gain in the export trade in raw materials, and that car loadings on the railroads have shrunk to the lowest point for February in years. All of these developments are reflected in a volume of unemployment which federal and state authorities seem to agree is the more



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EVERY department of your business on your desk every morning... marching past you while you review them one by one. Physically impossible? Yes. Why, it would even be impossible for you to make a daily inspection tour of every department. And monthly reports can soon go stale.

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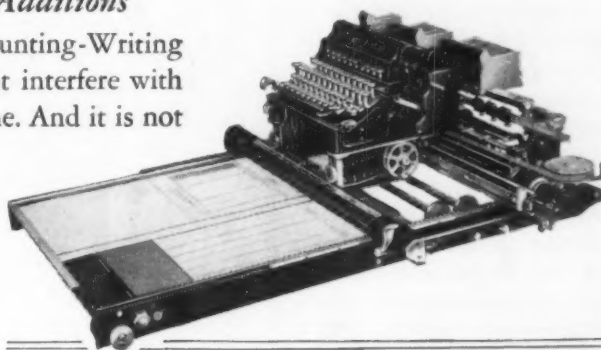
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even necessary to add a single name to your payroll. In fact, in many cases fewer people do more work with Elliott-Fisher.

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serious because of the lack of opportunity for diversion into other gainful occupations.

And yet with all the drawbacks—these including the shock of last autumn's collapse; the slipping away, despite the operations of the Farm Board, which sought to support the wheat market, of the profits which were earlier in the 1929 wheat crop; the 30 per cent reduction in the price of the South's principal crop, cotton, and the slackness in the great ready-money industry, building—the volume of business being transacted contains encouraging elements.

These elements are based upon the fact that this is a wonderfully rich country, with a latent buying ability which has defied any combination of unfavorable events and which is apparently still capable of absorbing the vast quantities of goods which can be produced even with tightened checkreins upon consumptive demand.

Chain and mail sales gain

ILLUSTRATIVE of this is the compilation of the sales of the first 38 chain and mail-order houses to report for February. This compilation shows a gain for that month over the like month a year ago of 7.2 per cent, with a gain for the first two months over a year ago of 8.7 per cent. A year ago, it may be recalled, the chain and mail-order concerns combined gained 21.2 per cent over February, 1928, the latter month in turn showing a gain of 14.5 per cent over February, 1927. Against this showing by the chain stores is the preliminary report of department-store sales for February, 375 stores reporting, which shows a decrease of 2 per cent from a year ago following a decrease in February, 1929, from February, 1928, of about one per cent.

Because of the warping of bank clearings and bank debits returns in recent years by immensely active stock speculation, the current returns as compared with boom dealings in stocks a year ago are naturally not enlivening. For February the decrease in clearings from a year ago was 22.4 per cent, while debits for this February were 24.8

per cent below a year ago as against decreases of, respectively, 22.2 and 24.7 per cent in January.

For two months of 1930, clearings were 22.3 and debits 25.1 per cent below the high record totals in the like period of 1929. In clearings, February totals in all bank groups were below 1929, whereas debits in the Minneapolis district show a gain of 1.3 per cent over a year ago.

Price index number down

THE March 1 price index number marked a decrease of 2.5 per cent from February 1 and of 13.6 per cent from March 1, 1929, the high point of last year. The March 1 index number, furthermore, was the lowest touched since October 1, 1921 and was only 5.7 per cent above that of June 1, 1921, the deflation point, while the decline from the record high point of February 1, 1920 was 46.2 per cent.

Of 106 commodities, 15 showed gains in February while 41 declined and 50 were unchanged. Compared with March 1 a year ago 16 products were higher

while 71 were lower and 19 unchanged. In other words, two-thirds of the 106 commodities are below a year ago.

Failures in February

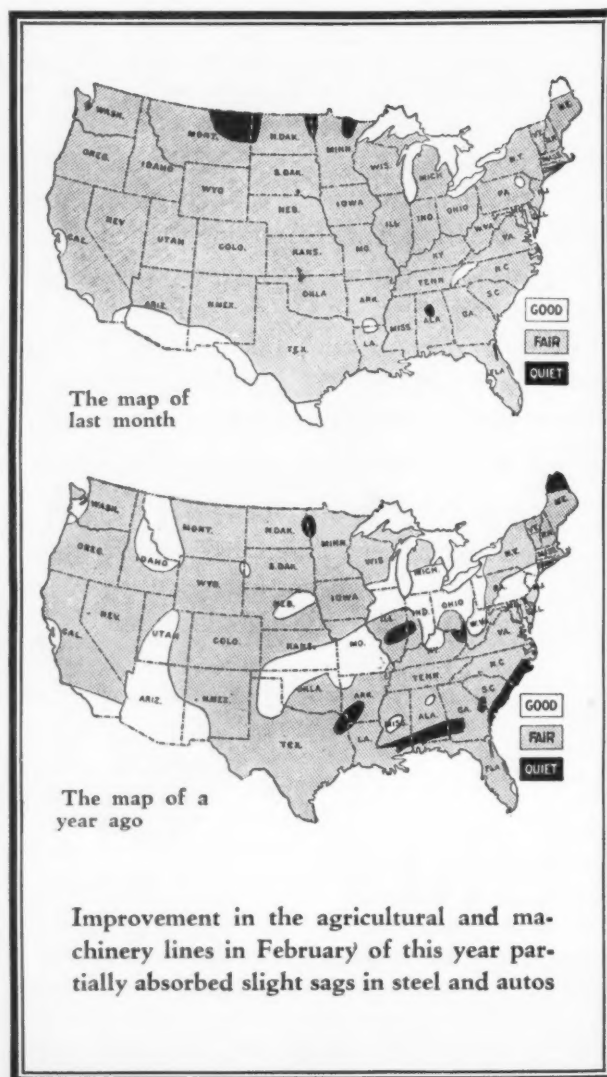
FEBRUARY business failures, while 9.2 per cent below January, were 23.7 per cent in excess of those of February a year ago in number. In fact, they showed the largest total ever recorded during a February, exceeding those of February, 1922, hitherto the peak month, by 3.7 per cent. Liabilities for February were 11.9 per cent below those of January, while 11.2 per cent above those of February a year ago. Failures were fewer than a year ago in the Northwest and South.

Pig-iron production for February gained 11 per cent in the daily average output over January, but was 11.5 per cent below that of February a year ago. For two months of 1930 pig-iron output was 14.7 per cent below the like period of 1929. Early in March, hand-to-mouth buying was shown in pig-iron prices by declines of 50 cents a ton in eastern Pennsylvania and Chicago.

Farm Board action in regard to wheat prices bewildered the trade in February and early March. Following the February 3 prices, which were the lowest for cash grain since early in July, a rally occurred. Through February the Farm Board held to its bid prices for cash wheat, which were sometimes 15 cents above the open market, this price being paid only for wheat in the country. Some dealers in Chicago and Minneapolis, whose offers to the Farm Board were refused, were reported to have shipped wheat into the interior and sold it to the Farm Board Buyers.

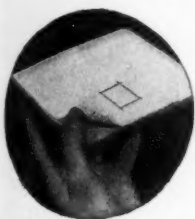
Wheat prices low

ON FEBRUARY 25, cash-wheat prices at Kansas City for No. 2 hard were reported at 93 cents, the lowest since last June and only four cents above the price on May 31, 1929. On March 1 the Board announced its abandonment of the fixed-price schedule it adopted last October and prices dropped to the open-market level. Following are some cash quotations showing the ups and downs in



Noise has been dropped from the Payroll of the New York Life Insurance Company

"... the measures taken to eliminate noise have improved working conditions very noticeably," says Dr. Hammer, Welfare Official of this great company



J-M Naskote — the light, quickly-applied, sound-absorbing material used in the New York Life Building. There is a J-M material exactly suited to every sound-absorbing or acoustical problem.

Routine activities could not be curtailed. Yet throughout the New York Life offices noise has been reduced until it is not disturbing.

The demand has been met

This was accomplished by the use of over 600,000 square feet of Johns-Manville Sound-absorbing material, applied chiefly to the ceilings (wherever applied it does not interfere with decorative effects).



These teletype operators do not disturb their associates because modern sound control material stifles the noise of their machines. J-M materials can be applied in old or new buildings.

Go anywhere in these New York Life offices. Typewriters and adding machines click, bells ring, filing cabinets are opened and closed, doors shut, people move about—but only a subdued murmur reaches the ears. Noise no longer wears out

Scientist proves value of quiet

Prof. Donald A. Laird, Ph.D., Sci.D., Director Colgate University Psychological Laboratory, showed by actual test that J-M Office-quieting resulted in one business place in a 12% increase in the output of office machine operators. In another company's office the same material produced a new quiet which reduced errors in the telephone operating room by 42%. It pays to control noise.

nerves, nor causes confusion. Noise is off the payroll.

You need this quiet in your own office

Your office may be large or small, but regardless of its size everyone in it will do a better job if noise is controlled. As Dr. Hammer, Welfare Official of New York Life, puts it, "the strain of daily office noise causes marked energy wastage." Can you yourself afford to waste energy? Can you afford to have your associates overtax themselves? To your own office J-M Experts can bring, without disturbing your normal routine, the same quiet, restful working conditions found at the New York Life Insurance Company. A J-M-quieted office is a real workshop. Things get done smoothly,

At right: Many office machines are used at New York Life. J-M Sound-absorbing Materials on ceilings allow such activity without discomfort.



accurately, promptly. Everyone is healthier and happier. Hence efficiency increases, and profits are better.

The J-M method of office-quieting is logical. As at New York Life, we make no effort to lessen noise-producing activities. Instead we proceed to control the noise by blotting it out through the use of special sound-absorbing materials developed by J-M laboratories.

Ask us to have a J-M Engineer call. You will be under no obligation. And send the convenient coupon for any, or all, of our free books on sound absorption.



The building of the New York Life Insurance Company provides a worthy home for one of the world's greatest financial institutions. With over seven billion dollars of outstanding insurance, New York Life is one of America's four largest insurance companies.

Johns-Manville



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wheat from the low levels of May 31, 1929:

	May 31, 1929	July 29, 1929	March 5, 1930
Kansas City	\$1.89	\$1.31	\$1.00
Chicago	.98	1.42	1.06½
Minneapolis	.94	1.47	1.06⅞

The average of future prices at leading markets on March 4 was ten per cent below a year ago.

Wheat stock a problem

THE question of the disposal of the immense stock of wheat in this country and in Canada before the next crops appear in the markets, where elevator capacity is already taxed, still agitates

the wheat trade. Estimates of the quantity of wheat on farms on March 1 vary, but some experts place it at 38,000,000 to 40,000,000 bushels below the Government's estimate for a year ago. This decrease is largely offset by the increase in the visible supply as of March 1 over the like date a year ago.

The following table gives one expert's estimates of the stock on farms on March 1, 1930 and compares it with the actual visible supply returns as of the same day.

	Bradstreet's *Farm Stocks	Visible Supply	Total Supply
1930	110,000,000	165,000,000	275,000,000
1929	148,813,000	130,034,000	278,847,000
1928	130,944,000	77,949,000	208,893,000
1927	130,274,000	61,271,000	191,545,000

1926	100,137,000	48,105,000	148,242,000
1925	112,042,000	76,437,000	188,479,000
1924	137,721,000	72,914,000	210,635,000
1923	156,087,000	54,562,000	210,649,000
1922	134,253,000	48,046,000	182,299,000
1921	217,037,000	31,945,000	248,982,000

*Estimated

It will be seen that farm stocks as given here are well below those of eight out of ten years. With the visible supply totals added, however, the aggregate supply in the United States on March 1 this year is little below that of a year ago, the largest in a decade.

Wheat crop outlook good

IN THE meanwhile the wheat crop in the Southwest is reported "greening up," while the winter-wheat crop condition as a whole is probably two or three points higher than a year ago.

There is one view of the decline in commodity prices which, abroad if not here, would seem to find ultimate profit in the form of greatly enlarged consumption of all kinds of goods as a result of the lowering of costs. Those holding this view argue that while the temporary effects of these price declines might be unsettling in domestic trade and while lowered prices of imported raw materials used in American industry might conceivably reduce foreign ability to buy our products, the net result should be to enlarge our takings of these goods.

This, it is further argued, would ultimately increase the buying ability of those foreign sources of supply that are drawn to American products by their concededly attractive and useful characteristics. At the same time the widespread character of the decline would seem evidence that some causes other than mere demand and supply conditions have contributed to the worldwide drop in quotations of basic products entering into American manufacture.

Textile situation muddled

IN TEXTILE lines the situation is not an entirely clear one. Cotton-goods prices and marketing methods have been subjected to a severe strain by the long-continued and serious decline in the raw material. In woolen goods, a feature has been a marked revision of opening prices for next fall's fabrics. Late advances are that raw wool in primary markets still shows unsteadiness despite the decline which began in the early part of 1929.

Silk and rayon mills are fairly active, but silk manufacturing is reported not especially profitable because of heavy competition.

Business Indicators

Latest month of 1930 and the same month of 1929 and 1928 compared with the same month of 1927

	Latest Month Available	Same Month 1927=100% **	1930	1929	1928
Production and Mill Consumption					
Pig Iron	February	97	109	95	
Steel Ingots	February	107	114	102	
Copper—Mine (U.S.)	January	89	113	90	
Zinc—Primary	February	87	94	94	
Coal—Bituminous	February	75	90	77	
Petroleum	February*	109	111	97	
Electrical Energy	January	124	119	106	
Cotton Consumption	January	91	105	91	
Automobiles	February*	112	153	102	
Rubber Tires	December	74	130	100	
Cement—Portland	January	103	120	118	
Construction					
Contracts Awarded—36 States—Dollar Values	February	78	89	111	
Contracts Awarded—36 States—Square Feet	February	70	99	119	
Labor					
Factory Employment (U.S.)—F.R.B.	January	95	99	96	
Factory Pay Roll (U.S.)—F.R.B.	January	96	102	97	
Wages—Per Capita (N.Y.)	January	101	101	99	
Transportation					
Freight Car Loadings	February*	92	99	94	
Gross Operating Revenues	January*	93	100	94	
Net Operating Income	January*	91	126	92	
Trade—Domestic					
Bank Debts—New York City	February*	111	169	119	
Bank Debts—Outside (X)	February*	101	111	103	
Business Failures—Number	February	111	97	107	
Business Failures—Liabilities	February	109	73	96	
Department Stores Sales—F.R.B.	January	95	99	98	
Five and Ten Cent Store Sales—4 Chains	February	117	114	111	
Mail Order House Sales—2 Houses	February	134	132	109	
Wholesale Trade—F.R.B.	December	91	97	97	
Trade—Foreign					
Exports	January	99	116	98	
Imports	January	87	103	95	
Finance					
Stock Prices—30 Industrials	February	171	197	124	
Stock Prices—20 Railroads	February	122	124	107	
Number of Shares Traded	February	155	194	102	
Bond Prices—40 Bonds	February	97	99	103	
Value of Bonds Sold	February	68	62	80	
New Corporate Capital Issues—Domestic	February	41	156	102	
Interest Rates—Commercial Paper, 4-6 months	February	119	142	103	
Wholesale Prices					
U. S. Bureau of Labor Statistics	January	97	101	100	
Bradstreet's	February	89	103	106	
Fisher's	February	98	103	102	

July 1914=100%
Jan. 1930 Jan. 1929 Jan. 1928

Retail Purchasing Power, July 1914=100%

Purchasing Power of the Retail Dollar	62	62	61
Purchasing Power of the Clothing Dollar	60	59	58
Purchasing Power of the Food Dollar	65	65	65
Purchasing Power of the Rent Dollar	63	63	60

XExcludes Boston, Cleveland, Chicago, Los Angeles, Phila., Detroit, San Fran., and New York.

*Preliminary.

**If December 1929 is latest month, percentages are based on December 1926=100%. Prepared for Nation's Business by General Statistical Division, Western Electric Co.

Central Station Pneumatic Tube System, The New York Life Insurance Building

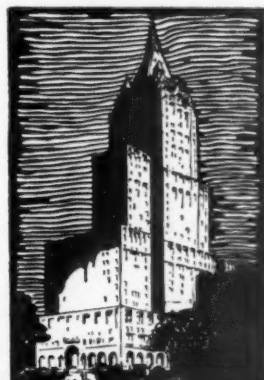


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(Above)

Central station pneumatic tube system, New York Life Insurance Building. The heart of the building—over 7,000 carriers, containing Company documents, are routed through this futuristic section daily. Thought for the future is reflected in the light colored walls. Not only here, but throughout the building, light tinted zinc pigment paints insure lasting beauty and protection.



ments—Zinc Oxide and “Albalith” Lithopone—combined with the proper vehicle.

The New Jersey Zinc Company does not manufacture paint, but produces these zinc pigments—Zinc Oxide and “Albalith” Lithopone. They are the chosen base of modern high grade interior paints. The majority of paint manufacturers use them. We want you to know the value of these pigments and paints containing them; the knowledge will be of service to you. Just your name and address to

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160 Front Street, New York



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Who'll Do This Billion-Dollar Job?

By MICHAEL M. DAVIS

COULD you step in as an executive and run the hospital in your town? If you could you are one of the very few with the administrative and diplomatic gifts needed in this difficult field. The shortage of executives, says this writer, is causing enormous waste which business men can lessen

THE HOSPITAL is an important business. It represents a four-billion-dollar investment, an annual expenditure of about a billion dollars and employs more than half a million workers.

Unfortunately it is a business of many peculiarities, not the least of which is the fact that it has no place from which to draw experienced executives. In fact, it may be admitted that the need for trained hospital executives is not widely recognized and the result is confusion, waste and inefficiency in a business that touches closely every man, woman and child in the country.

More than ten million persons are treated every year in the hospitals of the United States and Canada. Every person in every community has suffered or may suffer a hospital experience.

In the last 50 years, while our population has been increasing two and one-half times, the number of hospitals has jumped from 150 to more than 7,000. The bed capacity, in that same time, grew from 35,000 to 860,000.

The reasons for this growth are not hard to trace. Medical practice is becoming increasingly complex. Physicians are more and more dependent on laboratories, the X-ray, modern rooms, elaborate equipment and thorough asepsis which cannot be provided in a home.



COURTESY THE UNITED ELECTRIC LIGHT & POWER CO.

The Andrew J. McCosh operating amphitheater in the New York Medical Center is typical of advances in hospital equipment

Modern ways of living, too, increase the need for hospitals. Families are occupying small apartments without extra space for care of the sick, men and women are living alone in rooming houses and hotels.

No appreciation of management.

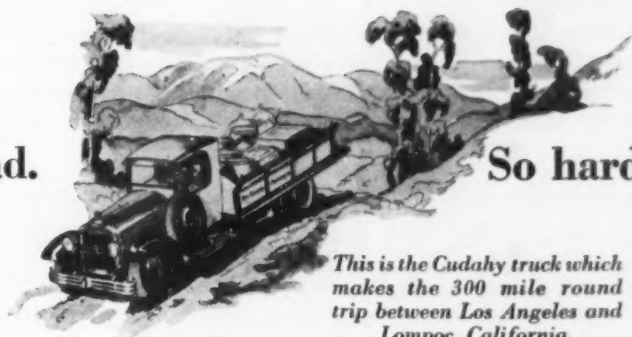
AND yet—although sickness touches the heart and loosens the purse strings so that it is frequently easier to raise money

to build hospitals than for any other community undertaking—there are still many persons who believe that if a man is honest, conscientious and well-thought-of by his fellow townsmen, he is an ideal hospital superintendent.

Despite the rapid growth of hospitals and clinics and their almost universal distribution hardly any resources have been set apart as yet for the study of their problems or the training of their personnel. The procedure in organizing

Out on the coast a truck runs from Los Angeles to Santa Barbara

and Lompoc — fast trip, heavy load.



This is the Cudahy truck which makes the 300 mile round trip between Los Angeles and Lompoc, California.

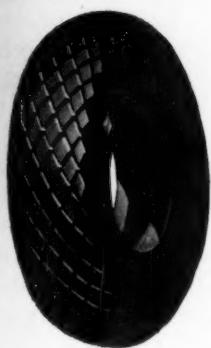
So hard

was the service that high pressure pneumatic tires rapidly failed,

and tire costs were so high that the run was about to be abandoned.

Then Goodyear Truck Balloons were tried. The first set averaged

59,063 miles, with three of the original tires still running.



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Here's the new tire for the new service conditions of the fast, long haul

stand up magnificently under modern truck speeds. Wouldn't

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a new hospital is too often to raise funds for buildings and maintenance without preliminary survey of the locality to determine whether or not a new hospital is necessary.

Sometimes it is not an additional hospital that is needed but more beds of a certain type in the one already there. A few physicians sometimes monopolize

give their money and their time to the hospital as a philanthropy more than to the hospital as a part of the community affecting every one of its citizens.

Perhaps because their points of view are thus conditioned to the philanthropic side of the hospital business, the directors seem frequently less alive than they should be to the necessity for business-

requires a wide range of specialized knowledge. In the purchasing, checking, storage, preparation and serving of food, for instance, the hospital has business problems similar to those of a hotel. In the hospital, however, these problems are complicated by pervasive medical aspects.

The hospital must run a heating plant, often a power plant, usually a laundry. Its executive officers must manage personnel ranging from unskilled labor to dignified and independently situated physicians. As a business enterprise, its accounting problems are complex.

A business without profit

ITS managers, its financial supporters and, above all, its executive officers, need information as to income, outgo and costs for purposes of administrative control. They must also fix rates to patients for general care and for laboratory tests and, in fixing these rates, need to consider both the cost of the service and the means of the patient.

The hospital thus resembles a business enterprise in several respects but differs from the ordinary business because its usual goal is not profit but, at most, self-support and because it is not a competitive undertaking.

The community relations of hospitals and clinics are also an important and increasing element in the problem of management. Hospitals are intimately related to the whole medical practice of their locality. The physician deprived of use of a hospital is seriously handicapped.

The hospital executive must operate his institution, not merely to benefit a certain number of physicians but the whole community.

The relations with the community are constantly broadening, and relations with health departments and social work are becoming closer. The relationship with industry is also becoming more intimate through workmen's compensation and similar cases.

The medical aspects of management offer another complicated problem for the superintendent. While only about 300 hospitals in the country have direct affiliation with medical schools, about 2000 hospitals are carrying on the instruction of physicians and nurses. The superintendent also must often deal with staff appointments and promotions, supervise interns and understand the supervision of patients and the content of clinical records.

With the growth of specialization, departmentation of services appears. Every



Although hospitals should properly hold clinics for the sick poor, they should not forget the well-to-do who use the institution

the hospital in their town. Better understanding of the community's needs and a spirit of cooperation might prevent the building of an unnecessary hospital and strengthen the usefulness of the existing institution.

They stress only one side

PERHAPS the trouble is partly due to the fact that persons who have the greatest stake in the hospital's professional efficiency and its economic management fail to recognize the true purpose of the institution they serve.

The financial responsibility for hospitals usually devolves upon a board, called trustees, managers or directors. Throughout the land, men and women recognized as among the leading citizens in their communities sit as members of boards or serve as public officials directing hospitals. Upon them falls the responsibility of determining the policies and obtaining the funds for these hospitals.

But when they think or talk of the hospital's accomplishments, they lay more stress on the "sick poor" served than on the well-to-do who utilize the hospital in equally large numbers. They

like management. Even the severest critics do not question the good intentions of those who are wasting hospital energy, but surely a billion-dollar business needs management appropriate to large enterprises.

Not long ago the post of hospital superintendent in many cities was an appointive position where denominations could place a deserving but unsuccessful clergyman, and politicians could reward a henchman. Fortunately that day is passing. Today the superintendents are drawn from among physicians, nurses, those with business or occasionally with engineering experience, and those who have had experience in some special branch or department of hospital work.

Their salaries range from \$10,000 a year and more, with residence, paid to the executive officers in large hospitals, to the \$2,000—sometimes less—received, together with maintenance, by those in charge of small ones. The range is large enough and there are sufficient opportunities in the upper levels to make the job of hospital superintendent compare favorably with positions of similar responsibility in other lines.

Success as a hospital superintendent



THE BLACK BLANKETS MUST GO

THE past winter has again seen many American communities choking in black blankets of smoke.

Smoke must go. It can be banished by using better fuel, by better firing, or by better equipment.

City leaders should plan now that the black blankets shall not return next fall. Community and individual action should begin at once. Homes which, in the aggregate, contribute a large percentage of the smoke clouds, can do their part by burning Pennsylvania hard coal—the economical sootless and smokeless fuel.

In many instances, even larger heating plants within the anthracite territory find economy as well as cleanliness with anthracite. That you may know if hard coal would profit you, there's a Reading combustion engineer available to study your problem with you without obligation. He is never permitted to recommend Famous Reading Anthracite unless its use will prove its greater value.

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development of this type carries with it its own dangers.

It is too much to ask that the superintendent be an expert in all these fields, but he must understand the general nature of the techniques pursued. The superintendent, though not directly concerned with the care of the patient, with research or teaching, must understand and coordinate these enterprises.

Hospitals need business training

THE past experience of those in the four classes from whom superintendents are customarily drawn is far from adequate and successful administrators of today have had to enlarge upon it as best they could, frequently losing valuable time and covering much unnecessary ground in their efforts to learn the things it was necessary for them to know.

The education of a nurse or physician gives an excellent background for understanding the medical functions and relationships of the hospital but it provides little or no training in business management or in the financial or social relationships of the hospital to the community upon which the ultimate success often largely depends.

Lack of understanding of purchasing problems, slight understanding of even the elementary principles of accounting and financing, poor understanding of the preparation and presentation of financial and statistical reports are defects so commonly observed as to the characteristic, particularly in the smaller hospitals. Such defects, even though combined with the best intentions, spell waste of money.

When those in charge have grown into a hospital job from a previous routine business experience and nothing more, they are often unable to adapt business methods—as they must be adapted—to the network of medical, personnel and community relations which surround them in the hospital.

They are likely to be unable to handle relationships with the board of trustees and the medical staff in such a way as to be neither the servant nor the autocrat. They often fail to understand the importance of dealing cooperatively with outside agencies, as with the department of health, local charities or officers of city and county governments. As a result wasteful and disconcerting friction limit the hospital's efficiency and prestige.

Those with only previous hospital training are likely to develop an institutional habit of mind that stands in the way of wise and tactful dealing with patients, their families and the general public.

The art of making a pleasant impression on the "customer" often seems woefully absent in the hospital. There is, for instance, the true story of a man who hurried his wife to the hospital with their first baby expected momentarily. He assumed that she could go at once to the private room her physician had reserved but the man at the business desk informed him that the room could not be occupied until a week's advance payment had been made.

The husband was a man of responsible position but had left home hastily, late in the evening, with but little money in his clothes.

"I have no authority to alter our rule," said the attendant firmly.

Fortunately the doctor arrived only five minutes later and guaranteed the room fee.

If the man in the hospital's business office has "a face like flint and a disposition like sandpaper" this is because somebody higher up does not appreciate the importance or delicacy of the job of dealing with the financial affairs of sick persons and their anxious relatives. The subordinates generally reflect the attitude of the trustees and the superintendent.

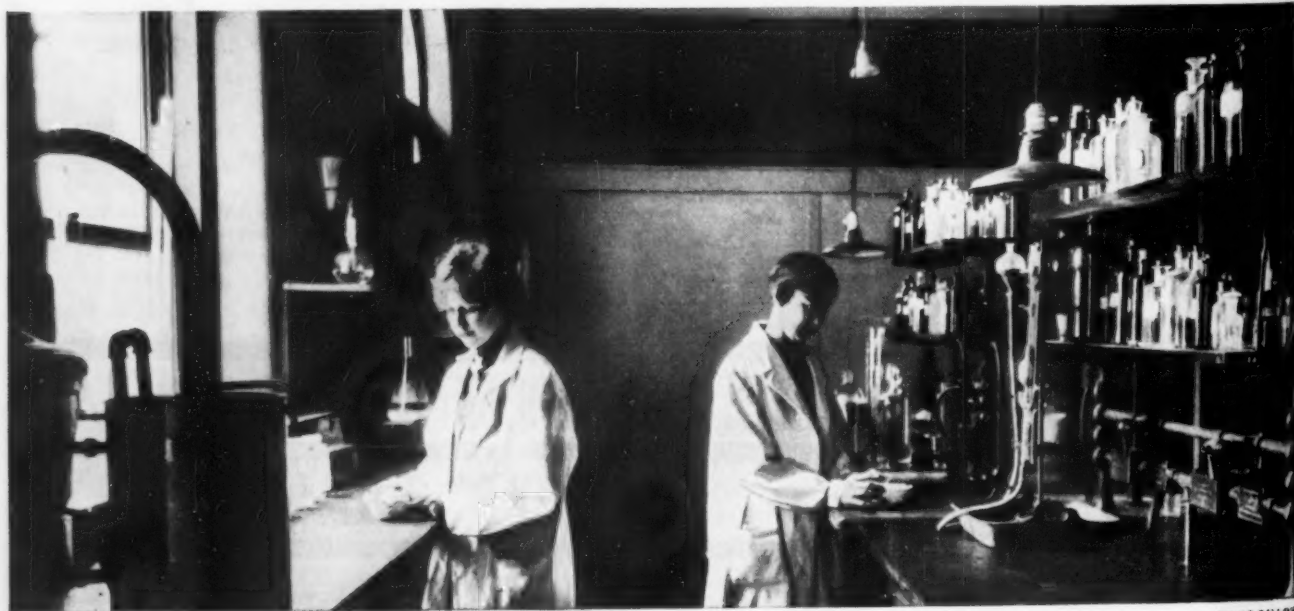
The fundamental present need is for a Research Institute in hospital and clinic administration, to be established in at least one university of standing. Such an Institute would develop the educational material needed for the practical part of the training and for the academic work.

It would actually give this training to students. Through its investigations it would increase public knowledge concerning hospitals and assist in solving practical problems.

Schools for superintendents

IN addition, courses for training undergraduate students should be established, either in connection with the Institute or independently under other university auspices. These are needed in several parts of the country, especially for training superintendents of small hospitals.

The annual budget required to enable a university to set under way an adequate educational program to serve these vast interests effectively would be less than one two-hundredth of one per



EWING GALLOWAY

The hospital executive need not be a chemist but he must have an appreciation of the chemist's technique if he is to supervise properly the work in laboratories such as this

cent of the annual hospital expenditure. If capitalized to provide a permanent endowment for such a department of a university, the budget would be only about one-fifth of one per cent of the capital funds now invested annually in hospitals in the United States.

At least five groups have a direct practical interest in the economic and efficient management of hospitals and in obtaining better trained superintendents; trustees and supporters of hospitals, chiefly business men; public officials who vote taxes and appoint directing officials for hospitals; the medical profession; professional hospital administrators and their organizations and, finally, the national agencies interested in public health, medical science and social service. Are the efficiency of hospitals and the scope of their usefulness to keep pace with their recent unprecedented growth?

The answer to this question depends upon how clearly business men and supporters of hospitals recognize the importance of the study of hospital problems and join with the professional groups in establishing and supporting adequate training for hospital personnel.

Old Stone Buildings

Made Young

OLD stone buildings in New York are being put in a way of rejuvenation with a sort of plastic surgery that repairs the ravages wrought by smoke and coal gas in the city air, and the attacks of bacteria and acids. But patching up the pock marks of time and weather is a job for an expert, and specialists have developed in the diseases of stones as in the maladies of trees.

In New York the "paraffin pack" treatment has come to public notice through the work of Dr. Constantian of the Obelisk Waterproofing Company. Where stone has disintegrated, the rotted portions are first trimmed away and the surface is then heated to about 200 degrees Fahrenheit. Hot paraffin is then applied until the surface is thoroughly impregnated to a depth of a quarter of an inch. The paraffin excludes acids and water, and resists bacteria and crystallization. Old churches and monuments have taken this hot-oil treatment, and now look much better for having their faces refurbished.—R. C. W.

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depends on its success in serving
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ALCOA ALUMINUM



Insuring the Traveler's Cash

By ALBERT STEVENS CROCKETT

ILLUSTRATIONS BY DON MILLAR



As he peeled off his sock bank notes fluttered to the carpet

FEWER YEARS ago than might be guessed by one who believes that sophistication has become one of our national traits, a Savannah business man, stopping at a famous New York hotel, found that he had been spending money faster than he had thought. Not, of course, that this was a unique discovery.

There were certain things he wished to purchase, and the cash in his pocketbook was almost exhausted.

So he telegraphed the young man who was his office secretary, and who had never visited New York, that he might as well come up and have a treat, bringing with him a specified sum of money from the safe.

Soon after the arrival of the Savannah boat, two or three mornings later, the expectant employer was routed from bed by a telephone call. The voice was that of his office functionary.

"Where are you—downstairs?" demanded the employer.

"No, sir," was the reply, in what was little more than a hoarse whisper. "I'm down here at the wharf. I've got all that money on me, and I'm afraid to go about these here streets with it,

SETTING out on a journey not so many years ago you probably would have carried your funds in a belt, with danger of loss or robbery ever present. Now you travel with easy mind, secure both in person and purse

with all the holdup-men loose the papers tell about."

"Well," said the other, "take a taxi and come straight to the hotel."

"Are you sure, sir, that I'll be perfectly safe?"

"Do what I say and hurry up."

Half an hour later, the secretary was announced. He came into his employer's room looking as if he were the object of a hot pursuit and sank down on a chair.

"Well, where's the money?" his employer demanded.

The bidden adventurer into a region famed for its perils and pitfalls made no reply, but slowly began to take off one shoe. Next he removed the sock. As the heel peeled off a number of bank notes fluttered to the carpet.

One safe place

"ONLY safe place I could think of, sir," he explained as, in answer to a disgusted suggestion from his employer, he laid the money on a table.

I have known men to carry money to Europe in just the same fashion, and many a veteran of the late war recalls the sight of bills carried in a doughboy's sock, which after days, or possibly weeks, of hard campaigning, had so deteriorated that redemption proved difficult, or actually impossible.

Every one who remembers the days of long skirts recalls the women's "National Bank," and the occasional glimpse of bills through sheer stockings. Corsets too, to go back a little further, were popular as a storage place for valuables.

But nowadays, women's clothes being what they are, one hesitates to guess



It was invariably half an hour before he came out with his pounds or lire

what has taken the place of those traveling safety vaults.

In traveling abroad, or in one's own country, the question of carrying funds is of prime importance, no matter how completely the traveler has "settled in advance." There are always amusements not included in the flat rate for the trip, shopping to be done, incidentals which are bound to crop up, and often wine and other drinks which tempt the traveler who cannot procure them at home. Besides, most Americans start on a journey without having paid in advance, and require money at every step.

According to Department of Commerce estimates the amount of money taken to Europe in 1928 by American travelers was \$818,000,000. In these days of gunmen, light-fingered gentry, and confidence crooks, the person carrying a substantial sum of money needs some safe, convenient method which will insure him against loss.

Bulky letters

THE two most popular of these are the letter of credit and the travel check. For larger sums the letter of credit is usually employed, but for smaller sums, varying between two or three hundred dollars and a thousand, the travel check is widely used. They are more or less thief-proof, convenient to carry, and are easily cashed anywhere for the value of currency or bank notes; in some foreign countries, at times for even a little more.

The origin of the travel check is in line with the theory that if necessity is the mother of invention, then inconvenience often acts as its wet nurse. In 1890, James C. Fargo, head of

the American Express Company, which had acquired a long-established forwarding concern with which the name of Fargo was connected, decided to go to Europe where the company had already built up a business of considerable size. Having scheduled many stopping places, Mr. Fargo took along a good-sized letter of credit, naturally counting upon its being honored almost, if not quite, as readily as it would have been in the United States. He proved too much of an optimist.

In those days, dignity and deliberation were keynotes of a financial transaction in Europe—particularly the second. When Mr. Fargo went to a bank to draw money it was invariably at least half an hour before he came out again with the pounds, francs, lire, or marks, mopping his brow, and prob-

of exchange.

Upon Fargo's return to New York he sent for M. F. Berry, manager of the foreign dispatch branch of the business, and recounted his experiences.

Something new in checks

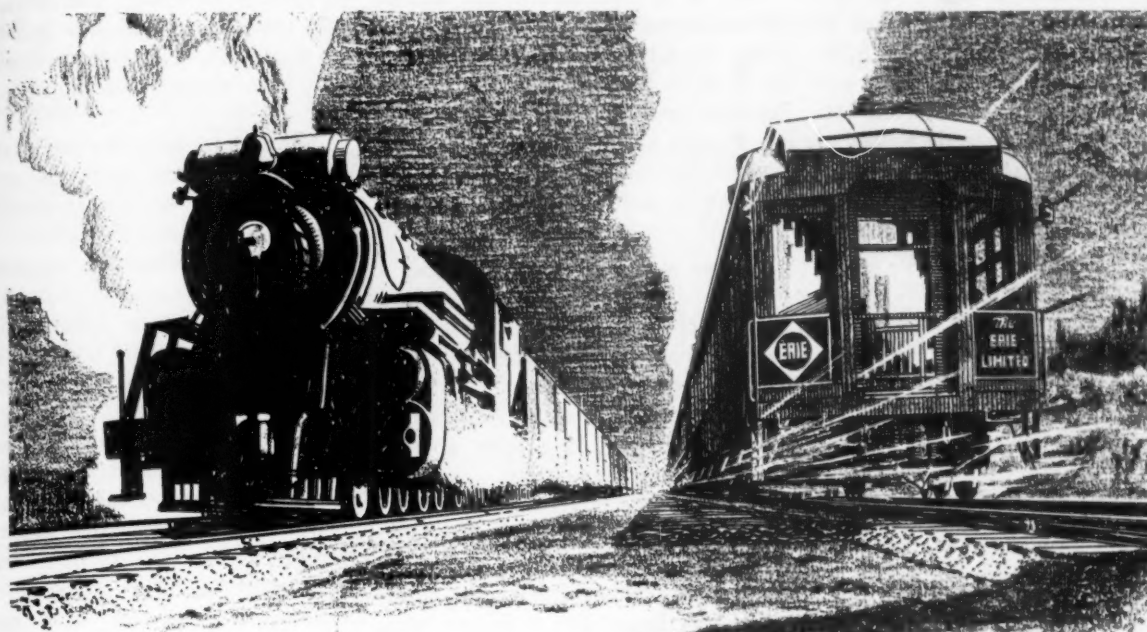
"BERRY," he said in substance, "it is too all-fired difficult for an American to get money when traveling abroad. Work out some way of making the process simple, safe and economical and at the same time giving a man an idea as to just how much foreign money he may expect for his dollars. Fix it so he won't be likely to load himself up with too much money in any one country."

Berry realized that the simplest device for carrying the equivalent of ready money would be a check, but it must be a new kind of check, reasonably secure against counterfeiting, acceptable to the user, and easy to handle. The problems of the manner of identification of the signer and of acceptance by banks were even more important.

To solve these he hit upon the plan of two identical signatures, one to be made at the time of purchase of the check, and the other at the time of cashing or spending it. An expert then turned out a kind of blue paper which would prove difficult to imitate. All banks with which his company had exchange transactions were notified that these checks would be backed by the American Express Company and would be cashed at sight, provided the second signature was made in the presence of one of their officials and was identical with the one the check bore. Possible purchasers were informed that



The disappointed highwayman compelled his hapless victim to devour every one of the travel checks



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The Erie has witnessed a century of Industrial expansion unparalleled in history. It has seen hamlets on its lines grow into villages, villages into towns, towns into prosperous cities, and has aided in this growth.

Today Erie is a national institution. Its fleet of regularly scheduled freight trains furnish fast dependable service and carry untold millions of dollars in merchandise of every description. Its fleet of passenger trains with their superb leader The Erie Limited serves the people of its communities in an exceptional way.

The Erie is big business, one of the biggest—not just a freight road, not just a passenger road, but a RAILROAD, human and understanding, one of the finest and most dependable in a land of great railroads.

ERIE RAILROAD SYSTEM

uncountersigned checks, lost or stolen, would be refunded.

These "Travelers' Cheques," as they were called, were originally issued in denominations of \$10, \$20, \$50, \$100, and \$200, but later the \$200 check was dropped. Each was stamped at the bottom with its equivalent in the money of more than a dozen foreign countries most frequented by Americans, so that the owner knew just what sum he should receive in local currency.

Travelers' Cheques were first put on sale in 1891 and that year 248 checks, amounting to \$9,120, were sold. In 1900, the year of the Paris Exposition, the sales had grown to six million dollars per year, and in 1913, the biggest year in the history of Atlantic travel up to that time, the sales amounted to \$32,500,000.

A.B.A. devises a travel check

BY 1909 the Travelers' Cheques had attracted much notice, and Fred I. Kent, a director of the Bankers Trust Company of New York, was appointed by the American Bankers Association to devise a travel check which any bank could sell and derive a share of the profit. The result was a check similar to the American Express check, engraved on expensive paper in such a way that, while it was easily distinguishable from currency, the check definitely gave the impression of being associated with American money. The matter of identification was handled somewhat in the manner of the American Express check. An extensive advertising campaign was used to familiarize the traveling public with these "A. B. A. Cheques," as they were called.

The popularity of the travel check is indicated by the fact that now, according to the best figures obtainable from New York banks, more than 20 individual banks, travel companies, and steamship lines are in the travel-check field.

The following companies issue their own checks:

Banca Commerciale Italiana, New York; Bank of Italy, San Francisco; Continental Illinois Bank & Trust Company, Chicago; Cunard Lines; First National Bank of Boston; First National Bank of Chicago; International Mercantile Marine; National City Bank of New York; Mellon National Bank of Pittsburgh; North German Lloyd Company; Bank of Montreal; Canadian Pacific Express Company; Banque Canadienne, Montreal; Canadian Bank of Commerce; Dominion Bank of Toronto; Bank of Toronto, and the following British banks: Lloyds', Midland

Bank, Ltd., Swiss Bank Corporation, London, and Westminster Bank, Ltd.

Out of approximately 410 million dollars invested in travel checks last year, the American Express Company did close to \$200,000,000 worth of the business, and the American Bankers Association about \$100,000,000 worth. The Mellon National Bank sold about \$60,000,000 worth of checks.

Letter of credit is used, too

THE Mellon Bank, up to last year, had made no charge for the issue of its checks in spite of the great expense involved because of collection charges. Now, however, it is making a small charge to cover this outlay.

In spite of the travel check's invasion of the field of foreign credit, the letter of credit still holds a place of its own. This is particularly true in the carrying of very large sums of money, when travel checks become too bulky. The traveler who requires more than \$1,000 in American Express checks may take sums over that amount in the form of "exchange orders." These may be converted into checks themselves at foreign offices of the company, at no further charge. Frequently, however, Americans going to Europe carry travel checks for the smaller sums, and a letter of credit for larger amounts as well.

One change which has taken place in the travel check since it was first brought out was made necessary because of the fluctuation in foreign exchange during the years following the war. It was found that the value in foreign currency, stamped on the check along with its value in dollars, was likely to change so rapidly that often the owner

of the check would find himself losing heavily when he bought francs, lire, or some other foreign money. As a result, travel checks are now issued with no valuation in foreign currency, and only their dollar value stamped on the face.

The average sum of money taken to Europe in travel checks is approximately \$300, though frequently, of course, it is a great deal more.

Many precautions are taken by the companies issuing travel checks to safeguard their buyers against loss by forgery and theft, and both the American Express Company and the American Bankers Association employ large forces of detectives to insure their security and to protect purchasers. In the last five years the American Express Company alone caused the arrest and prosecution of 1,070 crooks, either for stealing or trying to negotiate checks fraudulently, and more than once the company's detectives have brought about the arrest of noted criminals wanted for other crimes.

No appeal for robbers

SO DIFFICULT has illegal use of travel checks become that highwaymen in our national parks have given back travel checks to their owners after a robbery, though they have kept everything else of value.

A story that shows the unpopularity of travel checks with highway robbers is that of a victim who, having nothing of value besides his checks, was forced by the disappointed robber to eat each check in his book, thus giving the bandit some measure of revenge for the waste of his time.

Sidewalks with Holiday Colors

GREATER comfort for the shopper is constantly being sought by modern business. Carrying out this idea a New Orleans, La., business men's organization has undertaken to remove the intense glare of the sun on two of the city's principal shopping streets by introducing colored sidewalks.

Old Baronne, famous as a shopping rendezvous, is henceforth to wear an emerald hue and Canal Street, equally as famous, is to sport a red one.

Discussing the commercial appeal of

colored walks from the standpoint of the shopper, A. Harrison, Jr., president of the Baronne Street Association, says:

"In a city where the sun shines as brightly as it does in New Orleans green sidewalks will be a boon to the eyes of shoppers. Rain will bring out the color until the sidewalks are beautiful."

Other cities, especially those in the South, will, no doubt, watch with interest the shopping reaction of the public to the colored "sidewalks of New Orleans."—JOHN L. COONTZ

"THE LETTER THAT STARTED AN INDUSTRY"

23 years after his midnight ride, Paul Revere wrote this letter to sound another call,—that of the urgent need for an American copper industry. He urged the government into its first search for copper. He opened the way for a government loan of \$10,000 with which he built America's first copper-rolling mill. And, incidentally, he secured his first orders for Navy Department copper and brass.

Out of these "firsts" began the American copper and brass industry. These Revere beginnings themselves developed into Revere Copper and Brass Incorporated.

WHEN COPPER WAS SCARCE

For his raw material, Paul Revere had to buy, beg or barter every scrap of old copper which came within reach. His largest single "capture" was 19,000 lbs., salvaged for him by the U. S. Government.

Today, scientifically refined ingots, cakes and billets of pure copper flow into seven Revere plants in a never-ending stream,—to produce an output of more than 250,000,000 pounds a year of finished products.



1801

FROM HAND-TOIL TO ELECTRIC CONTROLLERS

Copper-rolling, in Paul Revere's plant, started with 16 pound "pigs." These were lugged about by husky "hands." Heated over oak-log fires.



Ox team transportation
used for early Revere deliveries

Rolled in rollers patiently adjusted by hand after each rolling. All directed by Paul Revere himself, whose watchful eye decided when to handle the metal in each operation.

In Revere plants of today, 1,000-pound billets of copper are brought to rolling heat in automatic oil-fired and pyrometer-controlled furnaces. Fed to the rolls by a touch on a lever. Reversed back and forth over operation-lines a city block long, all guided by men at distant electric controllers.

FROM OX-HAUL TO KEY-CENTER SERVICE

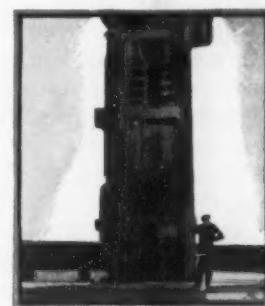
Paul Revere shipped via sloops and schooners. When winter gales blew, ox teams hauled his product to New York and Philadelphia.

Revere today has seven plants in five major industrial centers, located for on-the-spot service to the Atlantic States, the Middle West, New England, the South and West.

To Paul Revere, the need for copper and brass was the need of the early shipyards. To Revere of today, the need for copper and brass is the need of this expanding modern electro-automotive age.

SINCE 1798 . . .

American industry has gone from a log-fire, husky-right-arm stage to an automatic-furnace, electric-control stage. Today Revere operates 25% of the country's copper, brass and bronze rolling-mill facilities, including the two largest copper mills. Thus, it perpetuates, in its progress, the spirit of Paul Revere.



1930

Revere Copper and Brass

INCORPORATED

Divisions: Baltimore Copper Mills, Baltimore, Md. . . Dallas Brass & Copper Co., Chicago, Ill. . .
Higgins Brass & Manufacturing Co., Detroit, Mich. . . Michigan Copper & Brass Co., Detroit, Mich. . .
Rome Brass & Copper Co., Rome, N. Y. . . Taunton-New Bedford Copper Co., Taunton, Mass.
GENERAL OFFICES: ROME, N. Y.



Recreational areas near industrial centers help keep workers contented

It May Be a Poor Site for You

By FRED D. HARTFORD

Chief Engineer, Burkhardt and Sons Steel and Iron Co., Denver

A PICTURE popular on the walls of contractors' offices a decade or so ago showed a man in a state of extreme anxiety. The man was collarless, his hair was disheveled, and his face bore every evidence of a distraught mind. Beneath the picture was this title:

"The Successful Bidder: 'What did I forget?'"

A similar state of anxiety is often experienced by the business man who has finally decided on the location of his new plant.

"What have I overlooked?" he asks himself again and again as he examines and reexamines the site.

Every successful factory, it is obvious, occupies a location, which might be called a "strategic center," where aggregate costs of raw materials, transportation, fabrication, and marketing are at a minimum. To place his plant in such a center is the aim of every manufacturer.

Yet so numerous are the qualities to be considered in selecting a factory site that the final choice of even a cautious manufacturer will possess not a few imperfections. On the other hand, a manu-

facturer may impulsively decide on a location where, for example, he is foredoomed to struggle along with a poor water-supply system, or adverse climatic conditions.

Unless such drawbacks are outweighed by other definite advantages, then the factory must operate under a handicap that some day may put it at the mercy of a more fortunately situated competitor. Many items that figure in a good plant location are common to most industries. To check over these most essential features which may influence costs or affect the stability of assets is the opportunity and duty of every executive who would locate a new plant or move his present one, who would merge his company with another, or who would purchase an old factory.

Which side of a boundary?

ONE matter that should be given early attention in considering any plant site is

JUST AS one swallow doesn't make a summer, a plot of ground doesn't make a factory site. The type of men in public office, climate, state laws and similar intangibles may be more important than the actual real estate in determining whether a factory can show a profit in a given locality. Even the type of soil may contribute to failure or success

that of political boundaries. A political boundary may be only an imaginary line, yet it is often real enough to determine for an industry the difference between profit and loss. Taxes, factory regulations, workmen's compensation laws, and legislation governing foreign corporations are a few of the points that may cause this difference.

It also may be well to examine state governmental organization relative to the powers and activities of the state public utilities commission and the state industrial commission, the laws regulating the employment of women, the records of authorities in preserving order

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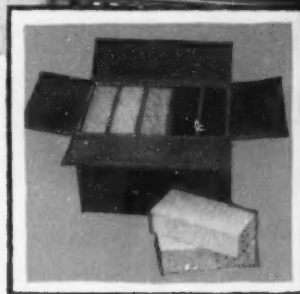
This specially designed H & D container for an oil burner involved package engineering of a high order.



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City State

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in strikes and disasters, and the possibilities of the commonwealth undertaking socialistic experiments.

In connection with local government, it will be time well spent to look up assessments for special improvements, the building and zoning ordinances, smoke regulations, policing records, and the type of personnel at the city hall, past, present, and future.

Many of the foregoing items might be considered in this light, "What will our tax dollar buy for the company?"

Sliding scales of valuations

SHOULD the burdens of a city location cause a manufacturer to place his plant in the great open spaces, he may find himself facing a county assessor whose rustic sense of humor impels him to value pure-bred Holsteins at \$35 a head and industrial sites at \$3,500 an acre.

NATION'S BUSINESS for years has displayed maps showing the economic state of affairs over the country month by month. Time after time certain areas on these maps show up better than others. If the business man wishes to locate his plant within one of these better-business areas there is no law to keep him out. On the other hand, costs in a prosperous and highly industrialized area may be greater than in an undeveloped section. Careful examination, however, may show that local pros-

perity may be due to the exploitation of natural resources that can never be replaced, or to wasteful manufacturing processes that soon may be superseded by better ones elsewhere.

Sometimes the placing of a fine factory in a poor neighborhood may be likened to the building of an expensive residence in a decadent part of town. The residence will cost just as much as if it were built elsewhere, but its sale value will suffer a heavy depreciation at the very outset. The ever-changing demands of the country and development of new inventions may render a whole industry obsolete almost overnight, so that the possibility of selling the plant site and the buildings should not be put entirely out of mind.

Information dealing with industrial possibilities in any locality will be found in the printed matter supplied by the local chamber of commerce, manufacturers' association, or the railroad development departments. Although this literature generally exhibits a thoroughly optimistic attitude, it offers a good starting point for investigations.

A major stipulation for a manufacturing enterprise is that it shall endure and prosper for a considerable period. Hence, trends of political, social, and economic conditions are often more important than present realities. Unfortunately, the future can be studied only in the light of the past. Periodic booms

and depressions, the decay and revival of old industries, and even the types of local industrial executives may have a significance.

Suppose that you are a cement manufacturer and that you have discovered a supply of well-nigh perfect raw material in a new territory. You consider opening an additional plant there, but the location is ten miles from the nearest village and a hundred miles from the closest industrial center. You must have hundreds of skilled workmen and laborers.

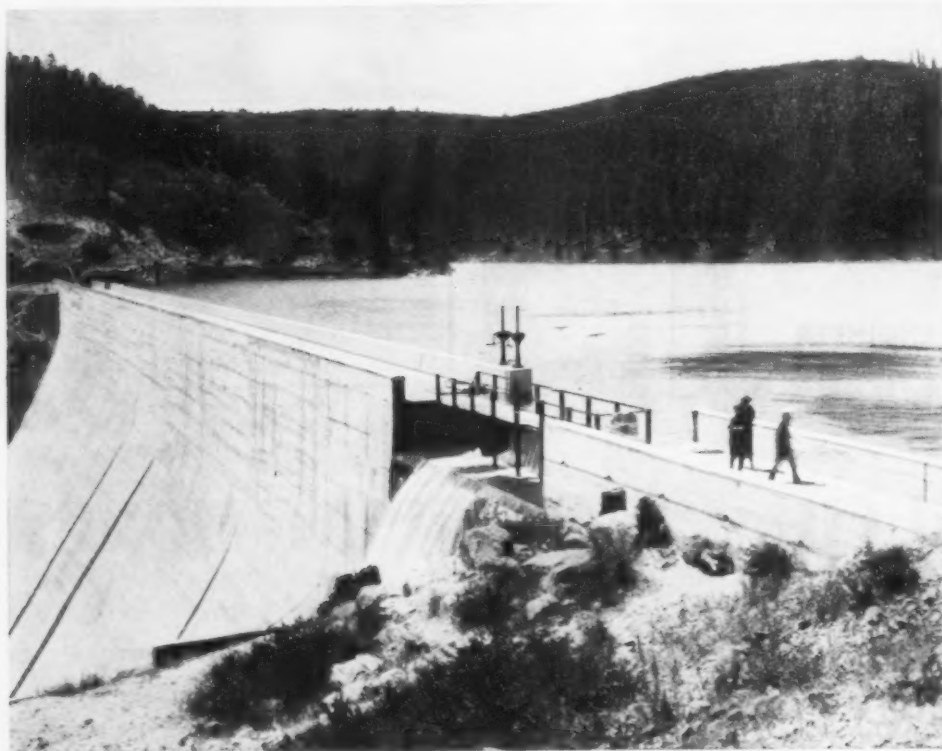
Whence shall they come? Will you provide housing at the site, or depend on workers to come from the village? Will you arrange with some commissary company to provide food and shelter for the construction gangs? Is one nationality of workmen better for your operations than another, and if so, where can you most easily get such workmen? These questions and many others must be answered in the formulation of a labor policy.

Many an industrial center advertises that it possesses an abundance of intelligent labor. Yet obviously, no city can have a surplus of labor for long. Desirable workers do not sit down and wait placidly until a manufacturer decides to build a plant. Any considerable labor supply for a new industry must be taken from other local industries or it must be imported from other sections.

Whether workers must be lured from other industries, or from the farms, or whether they must be imported, some increase in wage rates will attend this movement of labor. Factories already established should be prepared for a slight stiffening of rates at the advent of each new industry. Seasonal employment at high rates, a floating labor population, or contending labor unions tend to complicate the problem still further.

How compare them?

IF A manufacturer apparently has equal facilities in two towns, what points of each town should he examine to assure himself which is the more desirable from his workers' viewpoints? Living costs, housing, highways, schools, community health, street lighting, civic spirit, and recreational and amusement facilities may all have their weight in the determination. The cost



A dam which is positively safe is an asset to industrial sites in the valley below because it tends to prevent or modify damage from floods



IN THE HOLLOW OF HIS HANDS

Time—That Tough Old Tester—takes into his hands the materials that go into every building, from factory to skyscraper, and begins his work of destruction long before the structures are completed.

Nor do the attacks of Time, and all his destructive forces, ever let up for a moment until those buildings are crumbled ruins or torn down to make way for the new.

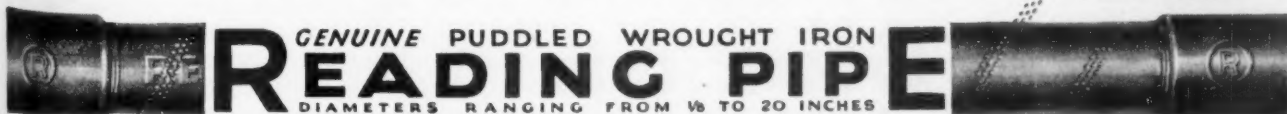
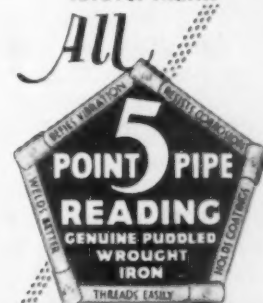
In order to equip any building to withstand the attacks of Time to the utmost—to secure from pipe repairs wherever pipe is used—specify Reading 5-Point throughout.

For Reading 5-Point Pipe is made of Genuine Puddled Wrought Iron that has stood the tests of Time—That Tough Old Tester—as has no other pipe material. And the tests of Time are the only conclusive tests of the length of life of pipe materials that man has ever found.

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Science and Invention Have Never Found a Satisfactory Substitute for Genuine Puddled Wrought Iron

of fire insurance must necessarily reflect the possibility of damage by fire. Payment of insurance for physical losses, however, never compensates for the actual losses to a business. Accordingly, a manufacturer should be far more interested in the fire-fighting personnel and equipment of the city and of his plant than in insurance rates.

Suppose a business man is contemplating the purchase of an old plant with

storing of inflammables, and plant housekeeping is phenomenal. Such neighbors should be shunned.

After a manufacturer has finally fixed on a site for his plant he may read about widespread destruction by floods, or earthquakes, or tornadoes, and then begin to worry about his new venture. Although engineering science can protect a plant against all these and many other hazards, it is often cheaper to build

his power from a central station he is interested in the certainty that he will receive current when he wants it and in the price he must pay for it.

A thorough study of the interruptions to the service in the past and why they occurred will give a good idea of what will happen in the future. For certain types of electrical machinery used in factories, variations in voltage of incoming current are also important.

Power contracts vary, too

IN REGARD to electric-power rates, it will be found best to have an independent electrical engineer who is familiar with the particular business make a digest of the power schedule so that the manufacturer will know just what will happen under all conditions. For example, some manufacturers have learned that demand charges had to be paid for 11 months after they had shut their factories down. Power contracts, therefore, should be carefully scrutinized.

This "demand" business is most important of all. The central-station people compare the manufacturer to an automobile owner who demands 105 horsepower to give him the jump at the traffic signals' change, but who requires only 40 horsepower for the remainder of his trip. Yet he must pay for the car of 105 horsepower. If a consumer of electric power requires 105 horsepower for 15 minutes of the day and only 40 horsepower at all other times, he still must help pay for maintaining 105 horsepower in the generating equipment at the central station. The central station's costs go on pretty uniformly day and night, so it favors the steady consumer and charges others accordingly.

A power company will be glad to give data covering substation inter-connections, the advantages of owning one's own transformers, and whether the user is metered on the primary or on the secondary side of the transformers. The company will also help to determine any advantage to a factory in using low-priced power at night, surplus power, or periodical power. In the case the shoe is on the other foot and one's manufacturing process produces an excess of power, then the local power company is usually the best customer for it.

The water supply merits quite as much consideration as the power supply.

Hydraulic engineers have coined a useful term, "consumptive use of water," referring to the condition whereby water is consumed as in making steam, or in evaporative processes, or when it enters into the finished product, or as utilized in irrigation. Water which is used for



A manufacturer who depends on the city for fire protection is vitally interested in the testing of the city's fire equipment

the idea of extending its operations. What phases of the fire-protection problem should he investigate?

Water supply and location of the municipal stations should, of course, come first. Next he should obtain data on the fire-alarm telegraph system, the water pressure, the frost protection for fire plugs and water mains, and the possible delay of fire apparatus because of snow, railroad trains, or flood.

Adequate fire equipment

SO FAR as the plant itself is concerned, he should assure himself that his workmen know something of fire fighting, that he has reliable night watchmen, that special hazards are isolated, that his hose and fire plugs have the same threads as the municipal equipment, that his plant roadways can be cleared quickly, and finally that his fire-fighting equipment is inspected periodically.

A plant that is thoroughly safe against fire, may be hemmed in by buildings which are fire traps and whose owners' success in defying local regulations as to height and materials of buildings,

where such phenomena have not occurred. Thoughts of landslides, forest fires, subsidence due to mining operations or to natural causes, lightning, hail, excessively high or low atmospheric temperatures, and tidal phenomena should all pass through the manufacturer's mind before he decides once and for all.

The stages of the Nile have been recorded for the past 4,000 years, yet occasionally that patriarch of waters stages a surprise flood and spreads destruction as it did in the days of the Pharaohs. Despite the records, people forget and build too close to the water's edge. An American engineer states that a hundred-year record of stream flow is the minimum that can be relied upon in predicting flood heights. Since most of our rivers have not been charted for more than 50 or 75 years, shareholders should not be too drastic in denouncing the management when they learn that their assets have been temporarily submerged.

If the new plant is to use electric power a host of other problems is introduced. If a manufacturer intends to buy

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SCHEDULING

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Lists: Mailer strips. Imprints addresses on margins of Publications. Addresses Publication envelopes and wrappers. Addresses church and lodge Announcements, Notices, Bulletins, etc. ☐

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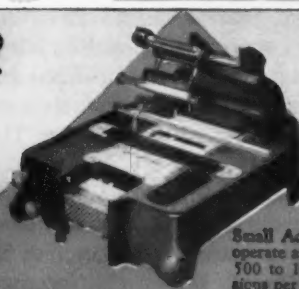
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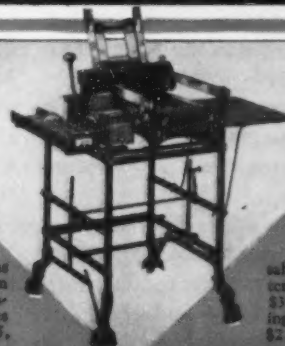
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cooling or for condensation and is then carried off down the sewer is not "consumed," since only its capacity for heat absorption has been utilized. City or filtered water for a manufacturing plant usually may be limited to consumptive uses which demand cleanliness and freedom from bacteria, sediment, and harmful dissolved impurities. Chemical analysis of a city water may sometimes reveal that expenditures for water-softening equipment are necessary to proper plant operations.

Large consumers of water are usually metered. Contracts for city water now resemble power contracts in many respects in that the rate decreases as the amount consumed increases. Furthermore, there is usually a substantial "readiness to serve" charge appended to the monthly statement.

If large amounts of water are required for condensing steam or for cooling purposes in various manufacturing processes, the location of the plant beside a river or a lake may be imperative. In such cases the quantity of water available at various seasons, the chemical analysis, and the quantities of silt, trash, or ice may become important. Possible conflict with riparian rights, navigation, irrigation, or waterpower reservations should receive attention, also.

Look to the life of wells

IN a certain western city 20 years ago, every manufacturing plant and every large building had its own artesian well. Gradually the water level, which had stood at 20 feet, dropped to 200, and it is still going down. If a well is to be utilized by the new plant, a consultation with a local well driller may be advisable so that he may predict its life.

If the proposed industrial plant will have objectionable fluid wastes that must be discharged into neighboring water courses, its owner should assure himself that there always will be a sufficient flow of water to insure the dilution demanded by law. One chemical plant in the East was obliged to build expensive dikes to retain its wastes during low-water stages in the river which ordinarily received them. When the stage of the stream permitted, these stored wastes were gradually fed out into the water course. Such a procedure costs real money.

Sometimes municipalities will not permit certain wastes to be dumped into their sewers. For example, residues containing sulphuric acid—and there are many—injure concrete sewers and the joints of brick sewers. Neutralization of

the acid before it enters the sewers is the usual requirement.

If one is interested in seeing an example *par excellence* of solid industrial wastes, he should visit the country a few miles southwest of Salt Lake City, Utah. Residues from the gigantic ore-treatment plants there have spread out in endless waves. Mile after mile is completely inundated by a never-ending, muddy flood. Space is plentiful and cheap. That is one reason the plants are there.

Finding a place for wastes

SHOULD a manufacturer's industrial wastes be like those of the Utah plants, not susceptible of further treatment, it will be wise to provide plenty of ground space for parking them indefinitely and legally.

So meticulous have some cities become that they even have ordinances compelling powdered-coal users to precipitate the ashes which in the good old days were allowed to settle all over the landscape.

No relaxation of governmental vigilance in regard to waste disposal should be expected.

Gaseous wastes fare even worse at the hands of the law than others, for, once released, they can go whither they will. Prior to 1863 English manufacturers of "salt cake," which is used in making glass and paper, employed in its preparation common salt and sulphuric acid. Unfortunately they allowed the muriatic acid gas, which was formed as a by-product, to escape and desolate the country for miles around. The English Alkali Act forbade this manner of disposal of gases and lo! the manufacturers found that the muriatic acid which was recovered was as valuable as the salt cake. In 1926 a manufacturer in Central Kansas tried to launch a salt-cake factory using the old English process, but fortunately for all concerned he could not obtain sufficient financial backing.

Watch out for sensitive noses!

FOR many years factories along the New Jersey shore of the Hudson River exhaled nauseating gases into Riverside Drive windows. Finally the plants were suppressed almost by armed force. The right of a city to reasonably clean air is pretty well established, even though the city happens to be separated from the offending factory by a state line. So if stacks must belch, their owners should take care to locate them far from sensitive noses and esthetic tempera-

ments. In addition to these factors of plant location, there are miscellaneous others which should be considered before a final decision is reached.

Take, for example, the matter of climate. If workmen are to be kept comfortable, and thereby efficient, they must work under temperature conditions conforming to their bodily activity. This means that in most sections of this country factories must be insulated against cold and be provided with artificial heat.

The heating season may range from throughout the year to only a couple of months. Insulating materials and heat cost money. On the other hand, there are parts of the country where temperatures are so high that the greatest employee efficiency can be obtained only through use of air-conditioning apparatus.

Another point is that of foundations. Some plants have more than half of their fixed assets underground in the shape of piling and masonry. And, oh! how fixed an asset a foundation is! Too, buyers of secondhand foundations are as extinct as the dodo. A test pit for foundations can be dug for a few dollars and it may save lots of trouble and lots of expense.

Elevation must be considered

ELEVATION above sea level is another item that affects furnaces, stacks, and air compressors. An investment in these plant essentials at sea level may have to be almost doubled to give the same output at an elevation of little more than a mile.

"Low inventories" have become the watchwords of manufacturing plants as well as of commercial enterprises. It is as applicable to storehouse and repair stocks for maintenance as it is to raw and finished materials. Parts and tools for repairs must be kept ready to insure constant operation of the factory, yet if the community has one or more good supply houses and, in addition, custom repair shops and foundries, then your own investment in these facilities can be cut down.

Thus though raw-material supply, markets, and transportation must always determine the general location of a factory, there is this host of other considerations which may determine whether the business is to acquire that pleasant and necessary margin called profit.

An artist may draw pictures of bidders, and even business men, who forget, but he has never yet portrayed a stockholder overlooking dividends.

How Commerce Insures Peace

By OLIVER McKEE

An interview with the Japanese Ambassador

THE promotion of trade, as I see it, is one of the main duties of a diplomat today," says Katsuji Debuchi, Japanese Ambassador to the United States, and he practices what he preaches. He keeps before his eyes continually the need for economic cooperation between the business men of the United States and those of Japan.

He has come to the United States after nearly three decades in the service of his government, having risen by successive stages from secretary of legation to Vice Minister of Foreign Affairs.

Twenty-seven years ago, Mr. Debuchi graduated from the College of Commerce in Tokyo. By 1902 Japan had turned away from the isolation of her feudal past and had set about a thoroughgoing westernization program. Educated in the principles of western business, young Debuchi looked forward to the counting room, or the desk of a sales manager, but not many months before he received his diploma from the College of Commerce a Japanese economic mission was sent to Russia. Then, as now, the leaders of Japan were eager to learn all they could about western methods, whether in government, science, or industry. They wanted to build up the country's industry and develop a foreign trade that would permit Japan to share in the prosperity of the industrial age. Mr. Debuchi was interpreter and secretary to the mission.

This was in 1901, and the great Siberian Railroad was not yet completed. There was still a great gap in the line of steel that was to link Moscow with Vladivostok. To bridge the gap, Debuchi and his party spent 26 days in slow and laborious travel. They were more than a month going from Vladivostok to Moscow.

In St. Petersburg the young Japanese student met Count Witte, then Minister of Finance, and later Russia's representative at the Portsmouth Peace Conference.

The Russian statesman made a powerful impression on him, and here in the Czar's capital, the drama of international affairs was unfolded to him for the first time.



UNDERWOOD AND UNDERWOOD

KATSUJI DEBUCHI

Japanese Ambassador to the United States

"TRADE binds nations together, for it is essentially reciprocal," Ambassador Debuchi points out in this interview. "No seller wishes to kill his customer, no buyer his purveyor."

Peace, he shows, is therefore doubly insured between Japan and America, for they are trading with each other now as never before in their history.

In his senior year in college Mr. Debuchi wrote a thesis on the economic conditions of contemporary Russia based on researches made during his Russian tour. The interest in world economic problems, aroused by that trip led him to decide to enter the government service instead of private business.

After his graduation, he lost no time in taking the examination for entrance into the diplomatic service. Some 70 young men were trying for six vacant places. When the results of the examination were posted, Tsuneo Matsudaira, formerly Japan's representative in Washington, and now ambassador in London, was first, and Katsuji Debuchi stood second.

Mr. Debuchi still retains his deep interest in the problems of international trade and business. He reads widely in

economic literature, and has a fondness for business statistics in clinching his point.

The friendship between Japan and the United States rests on the firm foundations of reciprocal trade relations. He says, "As ambassador, I shall do what I can to strengthen the economic bonds which already link the two peoples."

Debuchi represents a great industrial nation. Japan has a population of 60 millions. She supplies us each year with raw silk alone worth \$350,000,000, and she purchases in return raw cotton, wheat, oil, lumber, iron bars, rods, sheets, plates and machinery worth more than \$200,000,000. The United States is in the first position, both as a customer of, and salesman to, the Japanese market.

What can Japan teach American business men?

"That question is not easily answered," replies Ambassador Debuchi. "Industrially, we are still a young country. Our westernization has been under way only a comparatively few years. We must still look to the United States and the other countries of the West as teachers. We are eager to learn, and I believe that a visitor to our country will find us apt pupils."

"Perhaps one way we can help the American business man is in developing the Oriental market. We are closer, geographically, racially, and psychologically, to the Oriental peoples than you are. We have had more experience in dealing with them and this experience may be of assistance to you."

Japan helps American trade

"TAKE, for example, an American company doing an export business not only with Japan, but with other Far Eastern countries. By establishing a factory in Japan, the American firm, I believe, will gain two advantages. It will have cheaper labor, although our labor is not as efficient as yours. This cheaper labor will enable the American company to deliver the product from its Japanese factory to customers in China, India, or Java to greater advantage."

"Moreover, by going into partnership with our business men, your manufacturers and exporters obtain the benefits of our understanding and our long experience with the Oriental market."

America and Japan have already joined hands in this way. In 1910, the Shibaura Engineering Works, a 20,000,000 yen corporation controlled by the Mitsui interests, went into partnership with the General Electric Company.

Each company acquired the rights to use the designs and patents of the other in its respective country. The Shibaura Engineering Works now has the exclusive right to handle General Electric Company products in Japan.

Outside of Japan, it finds markets for its products in China and Manchuria. The company has built a huge modern plant at Tsurumi, between Tokyo and Yokohama. This plant, equipped with the latest American machinery, represents a new level of efficiency in the electrical organizations of the Orient.

The automobile industry shows another phase of Japanese-American co-operation. Until about 15 years ago only a few wealthy Japanese owned motor cars. The lack of good roads and service facilities made the auto a poor competitor of the ricksha.

Autos are made in Nippon

DURING and after the war, the use of the motor car grew rapidly. General Motors and the Ford Company established manufacturing plants at Osaka, and Yokohama. These plants are essential elements in the Japanese industrial and economic structure.

In the General Motors plant at Osaka, the Japanese industry has the benefit of American mass production methods which make possible the sale in Japan of motors at prices substantially lower than those of imported vehicles.

No less an advantage to Japan is the fact that at these plants, an efficient Japanese executive and skilled personnel is being created in a key industry. Through their plants in Japan these American companies are ready to supply the motor wants of the awakening millions of China, Manchuria, Siam and other Far Eastern countries. America and Japan, in a word, have gone into partnership as the motor age dawns in the Far East.

When Commodore Perry went to Japan in 1854 he took with him a number of presents to the shogun from the President of the United States. Among these was a working model of a locomotive, large enough to demonstrate the usefulness of this agency of transportation. The shogun and other high officials admired this model but nevertheless they felt that it belonged to the realm of magic. It was not till some years later that real locomotives were imported. Today a network of rail lines covers Japan and over many of these lines run modern electric locomotives. As in transportation, so in industry as a whole, Japan has become modern.

How do some of the business problems of this industrialized, modern Japan compare with those of the United States?

"Japanese industry has not yet come to mass production on the scale you have developed in the United States," says Mr. Debuchi. "Our people are poorer, and their buying power smaller. As our population grows, and its purchasing power expands, and as we increase our markets in the Far East, Japanese industry will doubtless turn to mass production to a greater extent."

"Our problems of distribution, also, are somewhat different from those of the American business men. Chain stores have not yet reached our country. We have not yet reached the point where we have to debate the relative value of the services offered the community by independent retailer and the chain store. Tokyo and other big cities have modern department stores selling everything from fragile works of Japanese art to the latest novelties from the West."

"So, too, with the system of instalment buying. Our people do not buy on the instalment system to anywhere near the same extent as do the people of the United States. The Japanese family as a rule pays cash, though, as its purchasing power rises, instalment buying may be expected to increase correspondingly. Even with the help of the instalment system, the Japanese farmer or workman can hardly afford an automobile."

Boosting foreign trade

"AS WITH you, our Government pays much attention to commerce and foreign trade. We have a Department of Commerce which corresponds in a general way to the Department of Commerce of the United States. The Government studies both domestic and foreign trade. It owns most of the railways. Hydroelectric power promises to be one of the biggest developments in the near future, and in developing our great natural waterpower resources, we welcome American technical engineers and capital. Statistics compiled by the Electric Bureau of the Department of Communications show that the number of enterprises has been doubled in ten years, and that the generating capacity of hydroelectric plants has been quadrupled in the same period. Long distance transmission lines have grown steadily. Hydroelectric concerns at the end of 1926 numbered 5,855. Electricity is as familiar in a Japanese household as it is in an American household."

No feature of the industrial develop-



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ment of modern Japan has created more interest in the United States than the growth of the cotton industry. Mills belonging to the Japan Cotton Spinners Association reported a production for 1928 of 988,744,400 pounds of cotton yarn, and 1,382,034,000 yards of cotton cloth, the largest cloth output in the history of the association, though yarn production fell short of the record year 1926. Exports of Japanese cotton goods totaled 1,418,450,000 yards in 1928, an increase of 45 per cent over 1927 shipments and the highest figure in the history of the industry.

United by foreign trade

THE United States and Japan are not trade competitors, Ambassador Debuchi tells us.

"Foreign trade is the index of a nation's economic life and Japan has increased hers from one billion yen in 1912, to four billion yen last year. Trade with the United States accounted for nearly one-half that total.

"Trade is one of the finest things to bind nations together, for it is essentially reciprocal. It injures nobody; it affronts nobody. No seller wishes to kill his customer, no buyer wishes to kill his purveyor. Japan's trade relationship with America is one of cooperation rather than competition.

"There are few, if any, points where we are competitors. We sell you silk, and buy your cotton. Your cotton we spin. Our silk you weave. Even in the Chinese market, vital to our industries, few of our exports compete with your goods. We are now trying to assist China in her cultural and economic development to the benefit of all interested peoples. We have invested more than a billion dollars in Manchuria, and have made conditions so attractive that the Chinese are moving there at the rate of about a million a year.

"Nature has not been overgenerous in bestowing bounties on Japan. Our people must put forth their maximum effort to support our ever-growing population on the limited space, poorly endowed with natural resources, which is ours. We do not want, however, to alleviate our difficulties by sending our emigrants to countries where they are not welcome.

"With the aid of advanced methods and modern science we can reach a high state of industry and trade. This means that we must obtain more raw materials from abroad and sell more goods to foreign countries. If Japan is to become a great industrial and commercial na-

tion, she must follow a policy of peace and good will. What Japan wants is not territory but raw materials for her factories and markets for her manufactured products.

"The cultural influence of America and Japan on each other has been reciprocal. We have gone to America for instruction in engineering, education, politics, banking, medicine and invention, and we have borrowed many other things from America, including your sports. We in turn have helped create in your country a revolution in artistic and decorative ideals. Now as in the days of yore, the Japanese artisan places great store on art. We understand the value of art in the life of a people."

In 1923, Tokyo and Yokohama were laid in ruins by one of the most destructive earthquakes and fires in recent times. Ancient Tokyo, with its narrow streets, its tile roof houses, and its rickshas, has passed into history. In its place has risen a modern capital, with steel buildings and bridges, wide boulevards, taxis, and subways. With the characteristic aptness of the Japanese, Tokyo has adjusted its old architecture, art and traditions to the requirements of the modern business world. Up-to-date salesmanship has replaced the old methods.

The leaders of Japan want to rebuild their capital as a modern city, and they have turned to America for help.

A new and greater Tokyo has risen out of the ruins of 1923. Parks and playgrounds have been built. American engineers and contractors have done much

of the construction work, thus affording another example of cooperation between the two countries. Notable among our contributions is the new Mitsui Bank building, which will have the largest floor in the world devoted exclusively to banking. An American architectural firm has designed the building and American contractors are constructing it. It will cost about \$10,000,000.

In Tokyo, Japan is teaching the world how to build earthquake-proof structures, a most important contribution to engineering knowledge.

This fall, the new Tokyo welcomed the World's Engineering Congress, the first international scientific congress ever held in the Orient. President Hoover was honorary chairman of the American committee. Many noted American engineers crossed the Pacific for this meeting.

"This Congress, I believe," says Mr. Debuchi, "has cemented still further the bond of mutual understanding between the two countries, as the American delegates came into contact not only with the material side, but with the intellectual and moral life of our people. We may well hope that it has marked an era in the progress of engineering as well as the beginning of a spiritual understanding which will bridge the Pacific with materials even more enduring than the granite and the steel which have gone into the building of those magnificent structures of which the American engineers have so good reasons to be proud."

Frontiersmen Now Use Airplanes

CANADA is blessed with great natural resources, as every one knows, yet the industrial appraisals have not shown the asset revealed in the hardihood of the aviators who are now charting her domain by airplane. Through this exploration and survey "territories more than twice as large as the largest of our provinces are thus made available to the present generation—lands, which, by the methods in use only yesterday would not have been properly surveyed for a century to come."

That valuable return is plain to see. It is in the acceptance of hazard and personal risk that the flyers lift the service above the round of routine. Some

of the men are forced down in Arctic wastes. Other men try to find them. With eloquent symbolism a Canadian paper tells of one of these attempts at rescue. Here is the text:

The wild birds are flying north. The geese, the wild geese, are winging their way down the valley of the Mackenzie, across the barren shores of Dubawnt, over the thirty foot waves of Great Bear, along the rocky and frozen coast of the Arctic shores. The call has gone forth, the low call of distress, from broken-winged mates marooned in the icy wastes. Faint and far the confused echo falls not unheeded. Back wheel the stout hearted ones, fearful yet eager. Into the bright face of danger, reckless of ending, the wild birds of Canada wing on their way.

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How To Be An Executive

By ROBERT CARTER

BE an executive! Think big thoughts! Be efficient! Make things hum when you are around!

These rules were discovered by observing a number of executives, each of them hopelessly conscious that he is an executive and painfully alive to the necessity of acting accordingly.

1. Always arrive at the office after the last man. If you get there earlier some dumb clerk in another department may notice this and draw an erroneous conclusion.

Oppressed with a heavy idea

2. DON'T notice or say "Good Morning" to any one you pass in the corridor. This will indicate that you are weighed down with a big idea and that any distraction might cause the big idea to vanish.

3. Announce your arrival at your desk by ringing all the buzzers at your disposal. That's what buzzers are for.

4. As your breathless staff members rush in, give them the day's instructions. Always make this particularly snappy. Take them in turn. But don't bother to see if the last man understands what you are talking about before tackling the next. You can't waste your time making people understand. It's their business to understand. What are you paying them for?

Besides, your time is valuable. You are an executive.

5. Having dispatched the staff (some of them still trying to figure out what you meant) you can now relax, knowing that you have put into the organization that dynamic urge which only an executive can impart.

6. As an executive, you must reserve your strength for the larger problems. Note that under rule three above you rang all the buzzers at one time. This saved reaching toward that button arrangement at least three times. Add to this a similar saving three or four times a day and multiply the total by the number of working days in a year, omitting Saturdays, of course (you are an executive). This annual saving in energy will startle you. Try to calculate it!

7. Unfold your newspaper which you have not read because you played bridge

on the morning train (just for mental relaxation), rest your feet on the lower desk drawer or on the second drawer or even on top of the desk if that is more comfortable, and absorb the major developments in the business world.

If there is a vivid report of some salacious divorce case that you might mention at luncheon, you should be posted on it. As an executive you must be well informed. But if any one opens your office door at this moment, don't be dismayed. Show yourself master of the situation. Frown deeply.

Drop the paper in the basket and, after the usual salutation, observe casually, "Why don't those fools in Washington keep their hands off the money situation?"

This will throw your visitor completely off the divorce article which may be staring up at him from the waste basket.

8. Never permit yourself to become absorbed in detail. If, while dictating, your secretary hesitatingly suggests that the statistics before you are contradictory of the great principle you think you are so eloquently expressing, don't be drawn into a discussion of statistics. But be patient with your secretary. She's not an executive. How can she understand? It is in such moments that restraint characterizes the executive.

Content yourself with a superior smile or some such brief but illuminating explanation as, "What do I care about figures. I can't fritter away my time reading figures. I'm dealing with principles."

Your secretary will then understand not to interrupt your train of thought in the same manner again.

A luncheon hour extended

9. ALWAYS take two hours for luncheon—never lunch. Those who see you leave and return will understand that you transact much important business over the coffee cups.

Stay the entire two hours even though you roll dice the last hour and a quarter. Your office force is impressed by what they know, not by what you know.

10. And then about the telephone. Never answer the first ring. Always wait

for the third. The caller will probably understand that he has interrupted you in the midst of an important conference. Maybe you were only looking out of the window or matching nickels with a fellow executive. But your caller cannot see through the telephone. Always remember that.

11. Remember the clean desk—the *sine qua non* of an executive. "A clean desk is a sign of a good executive" runs the proverb. Keep your desk clean, even though your secretary keeps a four-drawer file cabinet of unfinished business, most of which could have been dispatched long ago by a little concentration on your part.

Keep your desk clean. Remember that you are an executive.

12. And finally, you must play golf. At least you must have the appearance of one who plays. Keep a set of sticks reposing in a prominent corner of your office.

If you should happen to come to the office Saturday morning, always wear your cap and knickers. Everyone will understand that you merely dropped in to execute a contract on your way to the links. And when you approach your home the neighbors will think that you have just returned from the links. They, too, will realize that you are really an executive.

Refuting Mark Twain

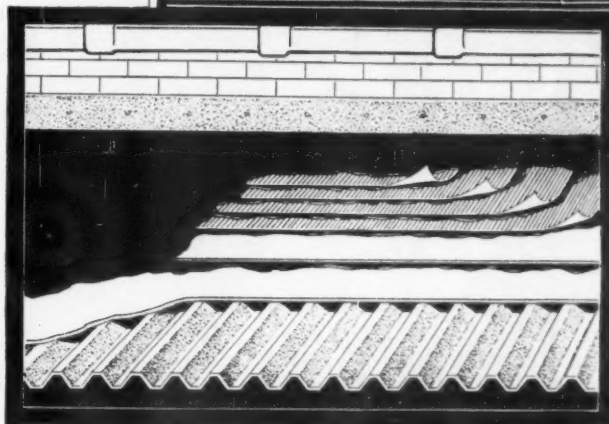
AMONG the new styles in research recently announced are the "weathering rooms" established by the Westinghouse Electric & Manufacturing Company at East Pittsburgh, Pa.,—an innovation that in a measure refutes Mark Twain's cynical charge. At last, somebody seems to be doing something about the weather.

In this new laboratory Westinghouse engineers will be able to make all sorts and conditions of weather. Sunshine, rain, winter cold or summer heat will be produced for testing apparatus built for outdoor service. And just by way of showing nature that others can do her stuff, atmospheric conditions of temperature, pressure, and humidity will be reproduced.

Generators big enough to supply electricity to a town of 10,000 people will be used merely for experiments. Plain and fancy artificial lightning also will be on tap for the testing of insulating materials. This lightning is served up at will by a machine known as a "high voltage surge generator."—R. C. W.

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If you are planning a building, send to the Robertson engineers for information about the V-Beam Steel Deck. If you have any troubles with your roofs, write to the Robertson Company about them. If you are not thoroughly familiar with the steel roof decks, let us send you information about them and their advantages. If you are familiar with the steel deck, but not with the protected steel deck, write for facts about it.

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Two great groups in the food industry have asked strict government control to improve their business



DECORATIONS BY CHAPPELL

The Cannerymen Ask More Rigid Laws

By WAINWRIGHT EVANS

★ FEW doubt that business leaders have common sense. The opinion is less unanimous that they have idealism. Perhaps the terms are more nearly synonymous than they are regarded to be. At any rate two powerful organizations are asking laws to enforce an idealism which, they say, is merely common sense

TWO drastic amendments to the Pure Food Law have lately been proposed to Congress. Their purpose is bigger and better government control and supervision of two great wings of the food industry, canning and preserving. These two amendments are particularly significant for American business because each of them has been initiated

by the industry most directly concerned. The National Cannerymen Association proposed the one and the National Preservers Association the other.

That the Pure Food Law, after the lapse of 23 years since its passage in 1906, should be so popular today that two sections of the food industry are trying to give it more teeth, is a fact of large significance. What it amounts

to is that for clear reasons of self-preservation the food industry is calling for more government control instead of less, for more government "interference," discipline, and supervision, more "bureaucratic tyranny," more "government participation in business"—more—in short—of the bugaboo heresies on which every sane captain of industry of two decades ago looked with orthodox horror.

An industry wants regulation

IF THESE two measures pass they will certainly open the way to further laws profoundly affecting other branches of the food industry. Does the food industry object? Most of it does not. Most of it has become so weary of bucking unfair competition that it wants to speed the change.

On their faces there is nothing exciting about these two bills. They would simply establish definite legal standards

The Same man

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for canned foods and preserves. They would require that all foods falling below such standards be labeled to declare their inferiority—with the further proviso that jams, jellies, preserves, and apple butter must, if they fall below the prescribed standard, be labeled "imitation" and their ingredients listed on the label in order of their weight.

The bill initiated by the National Canners Association authorizes the Secretary of Agriculture to establish reasonable standards of quality, condition, and fill of containers of all canned foods except meat and canned milk, which are otherwise taken care of in the statutes.

Back of that bill are the National Wholesale Grocers Association, American Wholesale Grocers Association, National Food Brokers Association, National Chain Stores Association, Tri-State Packers Association, Canners League of California, several other state canners' associations, American Farm Bureau Federation, and the National Canners Association.

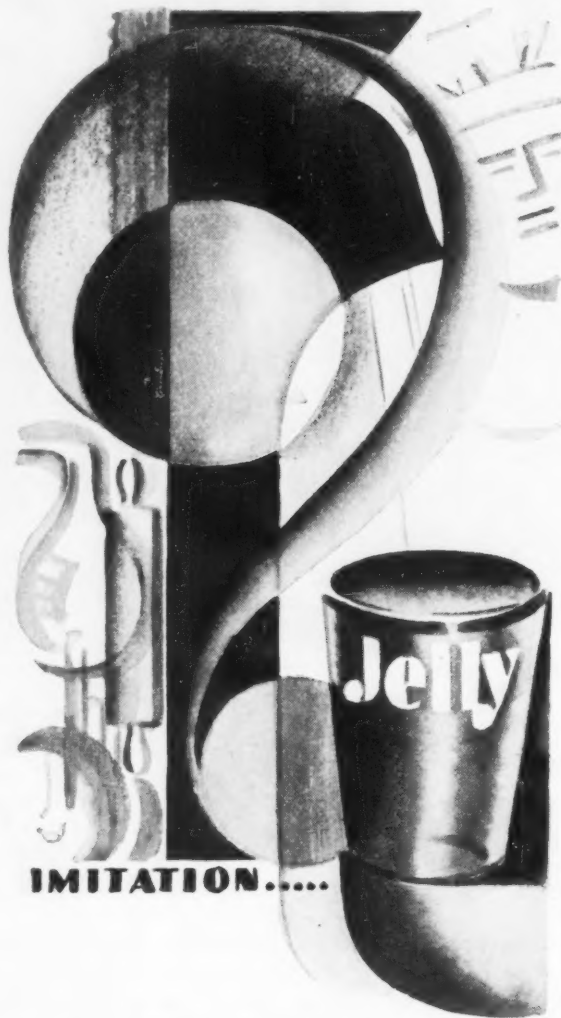
At the last regular session of Congress, the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry reported the bill favorably after public hearings. In the House, the bill was placed on the unanimous consent calendar and passed. In the Senate, action on the bill, when it came up under unanimous consent procedure, was prevented by one man, Senator Copeland of New York. Further efforts are being made to put the measure through.

After reading a statement issued by the National Canners Association in favor of the bill I asked Mr. Frank E. Gorrell, secretary of the Association, to amplify it. For instance, how did the canners feel about the Pure Food Law?

Regulation helped the canners

"THAT is best answered, perhaps," said Mr. Gorrell, "by going back to the days when the National Canners Association was organized. The two canners associations that were merged to form the National Association had previously gone on record as favoring such a law. The National Canners Association,

starting from that point, has unvaryingly supported the enforcement officials and cooperated with them. Since that time the Association has gone on record, not only against any modifications of the law, but also in favor of amendments that would strengthen it.



The Pure Food Act establishes no standards by which the public can know what it is buying

"Back of the canners' attitude are the desire to do the honest and decent thing by the public, and the desire to sell more canned goods. It was idealism and common sense. Ninety per cent of the canners and jobbers want to do the right thing if competitive conditions are such that they can afford it. About ten per cent, who have no such desire, want to run the industry.

"We know that the Food and Drugs Act has been a life-saver to the industry.

"If we find fault with it today it is because the Act does not provide sufficient protection to the consuming public and the honest manufacturer. It prevents manufacture and sale of filthy, decomposed, drugged, or adulterated canned foods, for example, but it estab-

lishes no standards of quality or of honest labeling.

"Take, for instance, a can of peas, canned when the peas are at the extreme point of maturity. Such peas are nourishing and wholesome, but they lack flavor and quality. They can be sold because the food value is there, though the quality is not. But they should be honestly labeled and honestly priced. It is perfectly practicable for the Department of Agriculture to promulgate standards for canned foods, and to prescribe labels indicating whether the article measures up to the standard.

No address needed

"AT present the canner is not required to put his name and address on his labels; nor is the distributor required to place his name and address on the label of the product he buys from the canner and distributes under his own brand name. Perhaps half the output of the canneries is sold to distributors who put their own labels on the cans. If the canner sells the distributor an inferior article, he gets paid accordingly, because the distributor knows his business; but the distributor, if he be dishonest, can sell the goods to the public as first class at a high price. A canner, if dishonest, can do the same thing under his own label.

"As a matter of fact, most canned foods, whether they bear the name of the canner or of the distributor, are perfectly good. It is the misleading label on what is really a small proportion of canned foods that hurts the canning industry because it destroys consumer confidence.

"It is plain common sense to fight such practices. Most canners and distributors don't want such conditions. The few who do will be brought to time. What we want is an amendment to the Pure Food Law enabling enforcement officials to reach the comparatively small proportions of canners and distributors whose labels are misleading."

"Is the Pure Food Law as it stands being thoroughly enforced?" I asked.

"It is being as thoroughly enforced as the enforcement appropriations permit," he answered. "It could be better enforced if more money were allowed

Such on time dependability as has been attained by the Pennsylvania's famous fleet—"The Limiteds of the Freight Service"—constantly opens up new possibilities for cutting inventories, speeding turnover, accomplishing the new business strategy in which the Industrial Traffic Manager plays an important part.



Making more important than ever the task of the Industrial Traffic Manager

THE past few years in America have seen the development of a new, more efficient machinery of distribution . . . a whole new business strategy.

To its perfection the railroads have contributed their share in modern *scheduled* freight transportation, such as is offered by the Pennsylvania's famous fleet—"The Limiteds of the Freight Service."

But it is the Industrial Traffic Manager who has helped make this new service an instrument of genuine industrial importance . . . cutting down inventories, speeding turnover, opening up new possibilities of service to customers.

And today the task of the Industrial

Traffic Manager is more important than ever. For it is he who must capitalize the opportunities for increased efficiency offered by constant improvements in freight service.

Very considerable business benefits, for instance, should be realized from the Pennsylvania's recent announcement of 3rd morning arrival winter and summer, alike, between Chicago, St. Louis and the Atlantic Seaboard.

The Pennsylvania wishes always to cooperate as closely as possible. Three things it furnishes with utmost reliability: accurate schedules—on time arrival—most complete "passing reports."

Aiding the Industrial Traffic Manager—Here are six of the Pennsylvania's famous "Limiteds" noted for their on time dependability.

THE RENOWN
Perishable—Merchandise
Louisville to Chicago

THE NORTH STAR
Perishable—Merchandise
Pittsburgh to Buffalo

THE PACKER
Perishable Freight
Chicago to Seaboard Cities

THE RANCHMAN
Perishables
St. Louis, Indianapolis,
Columbus and Cincinnati to
Pittsburgh and Seaboard Cities

THE BIG SMOKE
Merchandise
Columbus to Chicago

THE THOROUGHbred
Live Stock
Indianapolis to Pittsburgh
and Seaboard Cities

PENNSYLVANIA RAILROAD

Carries more passengers, hauls more freight than any other railroad in America

for the purpose. The present budget is less than one cent per capita for the whole United States. Complete enforcement is not humanly possible on that. But if any one in the United States has reason to know that the law is being enforced, we canners have. And it is enforced, let me say, with utter fearlessness. No sort of influence, congressional or otherwise, counts with the enforcement officials. At the same time, they are human and kindly; their methods, whenever possible, are corrective rather than punitive. Thus cooperation and good will have grown up between them and the food industry.

Confidence in canning industry

"THE food industry knows that it needs the Pure Food Law, and would fare badly without it. Growth of consumer confidence under this law has led to a tremendous increase in the use of canned foods. We are doing all we can to justify and increase that confidence. Not only do we try to improve the quality of canned food, but we try to perfect our processes by maintaining great research laboratories where such things as vitamins are constantly studied. The housewife who freely uses the maligned can opener, therefore, is really doing well by her family, and is saving her own time as well."

From Mr. Daniel R. Forbes, counsel of the National Preservers Association, came similar testimony regarding preservers' views of the bill their Association is backing.

"Our industry," said Mr. Forbes, "went on the rocks in 1923 because violations of the spirit of the Food and Drugs Act were bringing their own natural punishment. The public had lost confidence in commercial jams, jellies, preserves, and apple butter. It didn't know just what was the matter, but it knew it didn't like the taste of the preparations; and it more than suspected that many of them were short on fruit and long on substitutes.

"Individuals in the industry who tried to put out a high-grade product had hard sledding because their less honest

competitors could undersell them. Nobody knew what to do about it because no individual could break the vicious circle of competitive dishonesty all by himself. We realized that we had to clean house.

"The Association formed a vigilance committee, of which I was a member. We had instructions to pick up samples of the goods of all manufacturers in our line, and have them analyzed; also to discover all cases of misbranding, to submit evidence of such violations to state and federal authorities, and to request prosecution of the violators.

"On our executive committee were nine members. It was of first importance to demonstrate to other manufacturers that we were going to attend to the beams in our own eyes before pulling any mote out of theirs. Therefore, without consulting the executive committee-men, we subjected their products to the tests first. As a result, we had five of them in court within two months. That marked the beginning of a change that in a short time put the industry on its feet.

"In 1924 we asked the Department of Agriculture for a ruling defining three classes of products in our industry, the 'pure,' the 'compound,' and 'imitation.' We wanted a label for each of these that would enable the public

to differentiate between one brand and another, and also bring about a corresponding difference in the price labels.

All of these classes, even the imitation products, are perfectly wholesome. The difference comes mainly in the amount of fruit used. Pure preserves, according to our standards, and according to the standard which we want to see established by the Standards Bill, are made with at least 45 pounds of fruit to 55 pounds of sugar. Suppose the maker reduces the fruit to 20 pounds and increases the sugar in proportion, adding pectin to thicken it to jam consistency. It looks like the real article, but it isn't. We want the public to be enabled to know what it is getting, and not be deceived into paying high prices for substitutes.

Imitations sell poorly

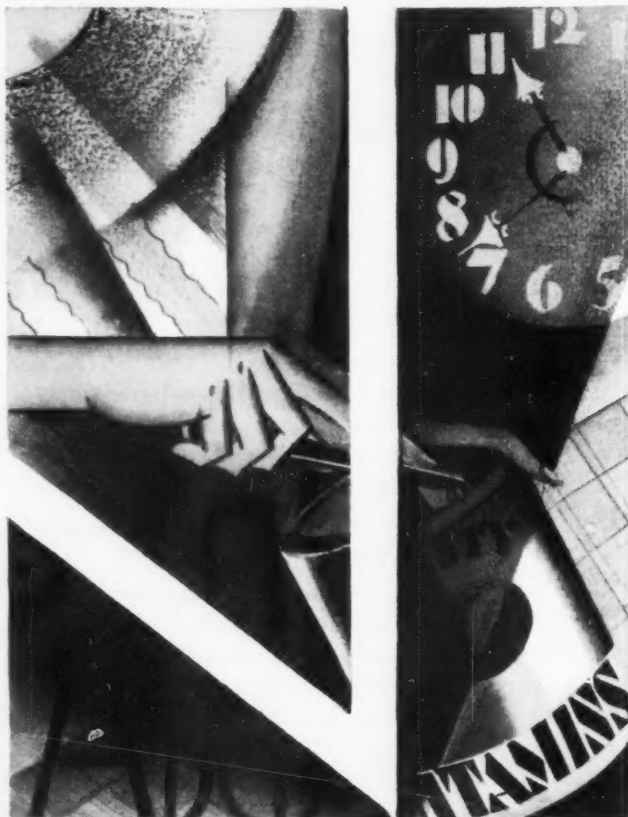
"WE labeled all goods made with the reduced fruit content either 'compound' or 'imitation,' according to the amount of fruit used. In a short time 75 per cent of the products we sold were 'pure' and about 25 per cent 'compound.' Formerly it had been just the other way.

"One of our problems was imitation jelly. This imitation was sold mainly to bakers for use in jelly rolls. It was simply corn syrup, artificially colored.

Three years ago the state food commissioner of Pennsylvania announced that he would require bakers who used the imitation jelly in rolls and cakes to label the product 'imitation.' A yell of terror went up from the bakers. They insisted that real jelly was not stiff enough, that it soaked into the cake, that it would not spread or stand up.

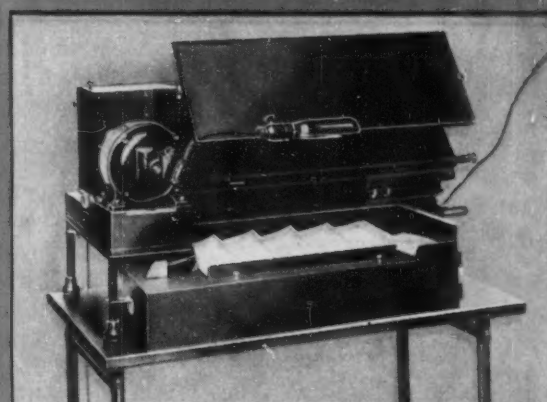
"One manufacturer of imitation jelly, who hated to make it, demonstrated that pure jelly, scientifically made, would really work. Bakers had failed in the use of it probably because they used home-made jellies. The commercial jelly was stiffer.

"Today that same manufacturer sells only pure jelly to his baker customers; and the bakers buy more of it than they did of the imitation because they are having bigger sales of jelly rolls and cakes. The reason is simple. Real jelly is delicious. It has flavor. Imitation jelly takes it out in looking



The housewife who uses the can opener is doing well by her family and saving her own time as well

THE GREAT NATIONAL CITY BANK OF NEW YORK EMPLOYS A TODD CHECK SIGNER



LEFT: The Todd Check Signer which serves The National City Bank of New York.

TOP, ABOVE: The intricate signature affixed by the Todd Check Signer is almost impossible to counterfeit.

DIRECTLY ABOVE: Rear view of Todd Check Signer, showing slacker which arranges checks in numerical order.

OUTSTANDING, on the long list of users of Todd Check Signers, is The National City Bank of New York with aggregate assets of more than two billion dollars! To affix signatures by hand, to the huge number of checks issued by such an institution, would obviously entail hours and hours of cramping physical labor. National City Bank has conserved the time and energy of its personnel by installing a Todd Check Signer. The signing of checks is now a detail task like typing and filing.

Electrically operated, the Todd Check Signer requires the attention of only one employee. Sheets of checks fed into the model shown above are signed, cut and stacked in numerical order at the rate of 7500 an hour. With practice, much higher speeds are attained. Two Yale locks and a built-in meter, which records every check passing through the machine, simplify the matter of executive supervision. A smaller model signs 1200 checks an hour.

Hundreds of other leading organizations in the modern business world testify to the safety and efficiency of the Todd Check Signer. The Todd Office in your city will gladly arrange a demonstration at your convenience. Or you may return the coupon directly to us. The Todd Company. (Established 1899.) *Protectograph Division*. Rochester, N. Y. *Sole makers of the Protectograph, Super-Safety Checks and Todd Green-bac Checks.*

THE TODD COMPANY, *Protectograph Division* 4-30
1130 University Avenue, Rochester, N. Y.

Please send me complete information about the Todd Check Signer.

Name _____

Address _____

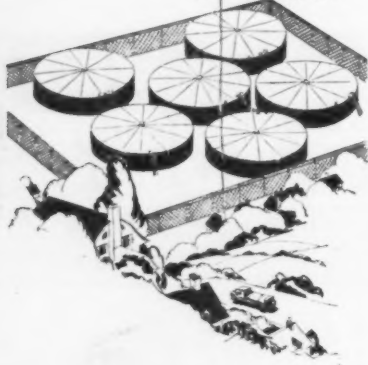
Business _____

TODD SYSTEM OF CHECK PROTECTION

When writing to THE TODD COMPANY please mention Nation's Business

FENCE

*lessens
fire
hazard*



PICTURE the oil refinery . . . tanks and tanks of highly inflammable products . . . explosive vapors everywhere . . . a thoughtless trespasser with a craving to smoke . . . and then . . .

Every industry needs the protection of a suitable fence. It prevents loss from theft, precludes trespass and lessens fire hazard.

Wickwire Spencer Chain Link Fence is ideal for the purpose. It is unclimbable, sturdy, rust-proof, yet inexpensive.

WICKWIRE SPENCER STEEL CO.
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This triangular name plate appears on all genuine Wickwire Spencer Fences



WICKWIRE SPENCER
Chain Link fence

When writing please mention Nation's Business

pretty. We kept right on sawing wood, with the result that two years ago, over a period of six months, we were unable to find a single shipment of misbranded or adulterated products put out by members of our Association. We represent about 85 per cent of the industry. Among the other 15 per cent, there are many firms, some of them large and important, which also put out unimpeachable products.

When jam is not jam

"ONE important reason we want the Standards Bill passed is that there are on the market a number of products which both the Department of Agriculture and our Association classify as imitation jam. Such products are put in jam containers, look like jams, and are sold by grocers as jam, but they are called by some other name than jam on the package.

"When one of these cases came into court, the court decided that under the wording of the Act such an article need not be labeled 'imitation.' The Government is going to fight that decision on appeal. But that will take years. In the meantime, the Standards Bill, if passed, will settle the whole question.

"Of course the Bill is drastic. It provides for doing away with the 'compound' product that in any degree falls short of the 'pure' standard. This marks a revolutionary step, and a farseeing and courageous one as well. A business reason is behind it. We will make more money by serving the public that way. Sound idealism and sound economics go hand in hand."

The general testimony of Mr. Gorrell and Mr. Forbes was substantiated by P. B. Dunbar, assistant chief of the Food, Drug, and Insecticide Administration, in whose hands is much of the work of enforcing the Act.

"Most branches of the food industry are standing squarely back of the Pure Food Law," said Dr. Dunbar. "They find that they prosper better when they conform to its terms, and they are eager to have it so completely enforced that they can serve the public honestly without having unfair competition penalize such honesty.

"The enforcement officials have plenty to do, and we can't cover the whole field. We have about a million dollars a year to spend protecting a twenty-billion-dollar industry. Naturally we have to go after the big abuses, and let a lot of little fellows go. For example, we pay a great deal of attention to such staples as flour, butter, sugar, and so on, and we don't put a

whole lot of time on caviar and *pâté de foie gras*.

"We have a fight on our hands just now over the question of what are known as multiple seizures. We made some extensive seizures of a food product that had been sweetened with saccharin, and therefore adulterated.

"Somebody persuaded Senator Williams of Missouri to introduce a measure known as the Williams Bill, providing that before such goods could be seized, a hearing must be granted the manufacturer before a committee representing the Agriculture, Treasury, and Commerce Departments. If the committee decided that the Law had been violated, one seizure would be permitted, and no more—save that goods containing poison, or which were filthy, decomposed, or putrid could be seized in any quantity wherever found.

"The bill did not pass; but there is evidence that efforts will be made to revive it, or to introduce similar amendments. The result would be that we could never cut through red tape fast enough to take an adulterated product off the market. The maker could go on selling his product and make a fortune defrauding the public while we struggled in the meshes of that ingenious law.

"There are elements in the industries subject to the Act, especially in certain sections of the drug field, which are against the Pure Food Law. Against their assaults that Law needs to be strengthened and protected. But the bulk of the food industry likes the Law, and wants it strengthened simply because the industry as a whole has had a chance to test its efficacy as a builder of trade and as a source of ethical satisfaction to honest men."

Belated Royalties

FIFTY years ago, L. S. Buffington, enterprising young Minneapolis architect, conceived the idea of constructing office buildings which would tower to the skies. "Cloud-scrapers," he called them.

Today he is 81 years of age, but only recently did he receive the first royalty from his brain-child, though hundreds of "cloud-scrapers" have been constructed.

Rufus Rand, Minneapolis capitalist, sent Buffington a check for \$2,250, representing one-eighth of one per cent of the cost of the new twenty-six-story Rand skyscraper in Minneapolis. The check was a tribute to the aged architect.—A. P. R.

Consider **KANSAS CITY** for these industrial opportunities

REMARKABLE industrial growth in Kansas City yet leaves more than two hundred lines of manufacture unrepresented . . . lines which would find a profitable market here.

A thorough investigation revealed some 212 commodities now purchased in large

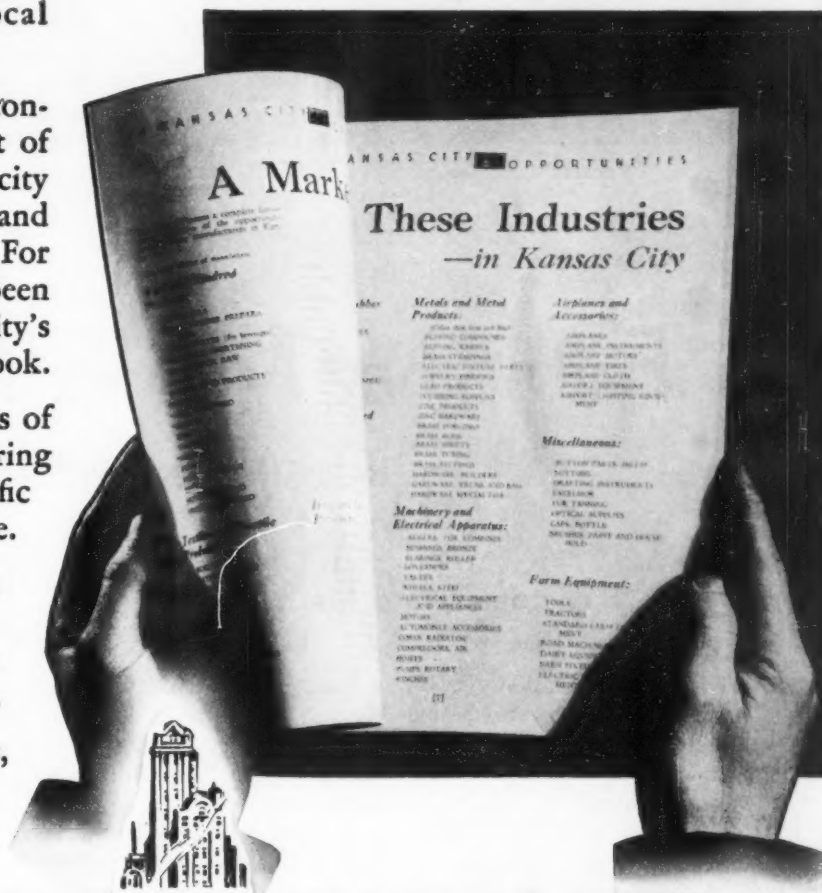
volume from other markets, unavailable from any local manufacturing source.

Kansas City invites you to consider carefully this market of 21 million people and this city of outstanding production and transportation advantages. For that purpose, a book has been prepared covering the city's industrial needs—a fact book.

In addition, special surveys of the market and manufacturing possibilities for any specific commodities are available.

This may be *your* most logical expansion center. This may be *your* most profitable marketing area.

Let us give you the facts, without obligation.



INDUSTRIAL COMMITTEE OF THE CHAMBER OF COMMERCE

KANSAS CITY

MISSOURI

Economical transportation is important. You can reach 15 million people at lower freight cost from Kansas City than from any other metropolis.



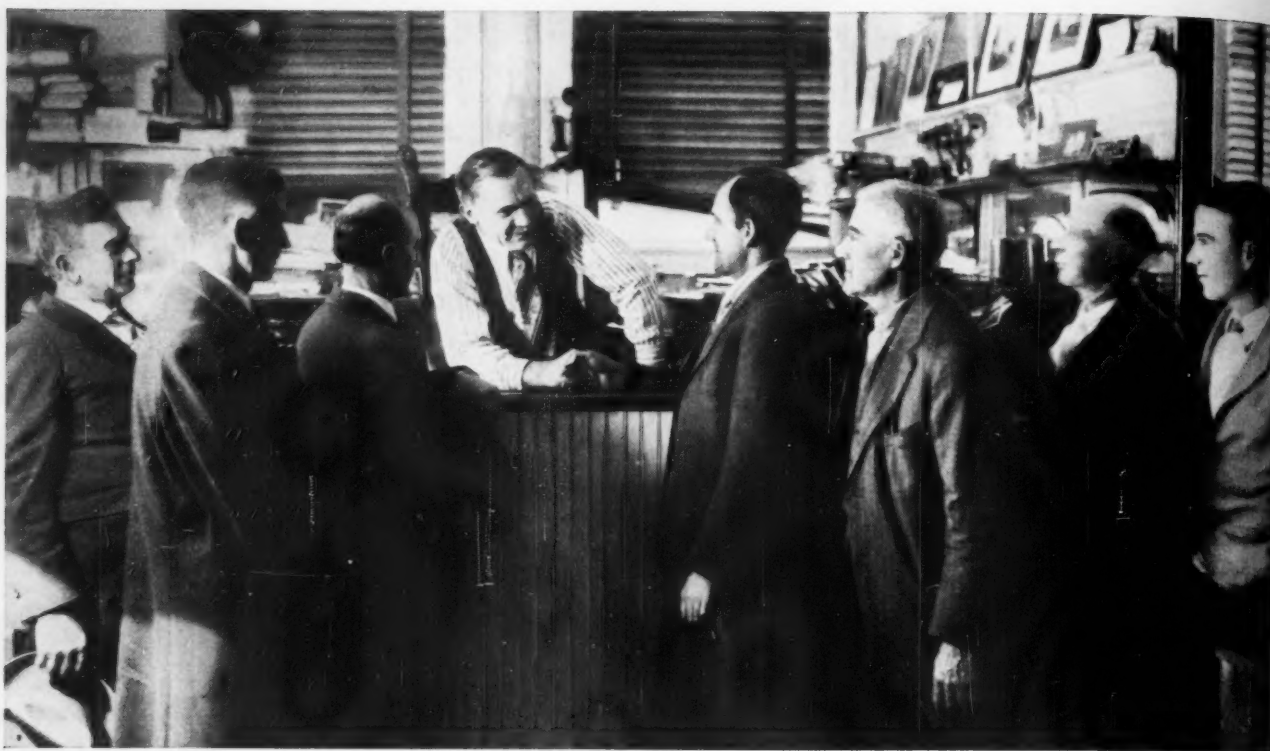
I am interested in this industry:

and I attach the coupon to my letterhead as assurance of my interest, without obligation, of course.

Name _____

Address _____

1430



Visitors at Radio Station KFNF find that it really is the "Friendly Farmer Station"

A Faith That Moves Merchandise

By JOHN M. HENRY

Henry Field's customers are his friends

THIS is radio station KFNF, the Henry Field Seed and Nursery Company at Shenandoah, Iowa, Henry himself speaking.

It is the homely voice of a typical midwestern farmer, the voice that by its very sincerity and rough ring of honesty has increased a business from \$700,000 to three million dollars a year. It is a voice that enters the homes of more than one million farmers, who recognize it as that of their neighbor. For the chief secret of the success of Henry Field, direct-by-radio merchandiser of Shenandoah, Iowa, is the fact that he stands squarely on a social and economic plane with his customers and engages as sales people in his establishment only those who can talk satisfactorily to stock raisers of hogs and to farm women of butter and eggs; and that his customers know it.

Having heard this neighborly voice over the radio, the rural resident feels that he has found a man with whom he can deal as he would with Bill Thomas, who shares line fences with him, a man with whom he is confident he can trade without the discomfiture of entering a large city department store, where he never feels at home. He addresses a mail-order letter to station KFNF and begins it, "Dear Henry," and if he has not caught the exact price over the radio for the goods he wishes, he signs a blank check, with instructions that it be filled out for the required amount.

His customers favor him

THEN when he has a day or so off from the crops, he and the family drive to Shenandoah to visit "Henry" and the "seed house folks."

The trust that these farmers place in

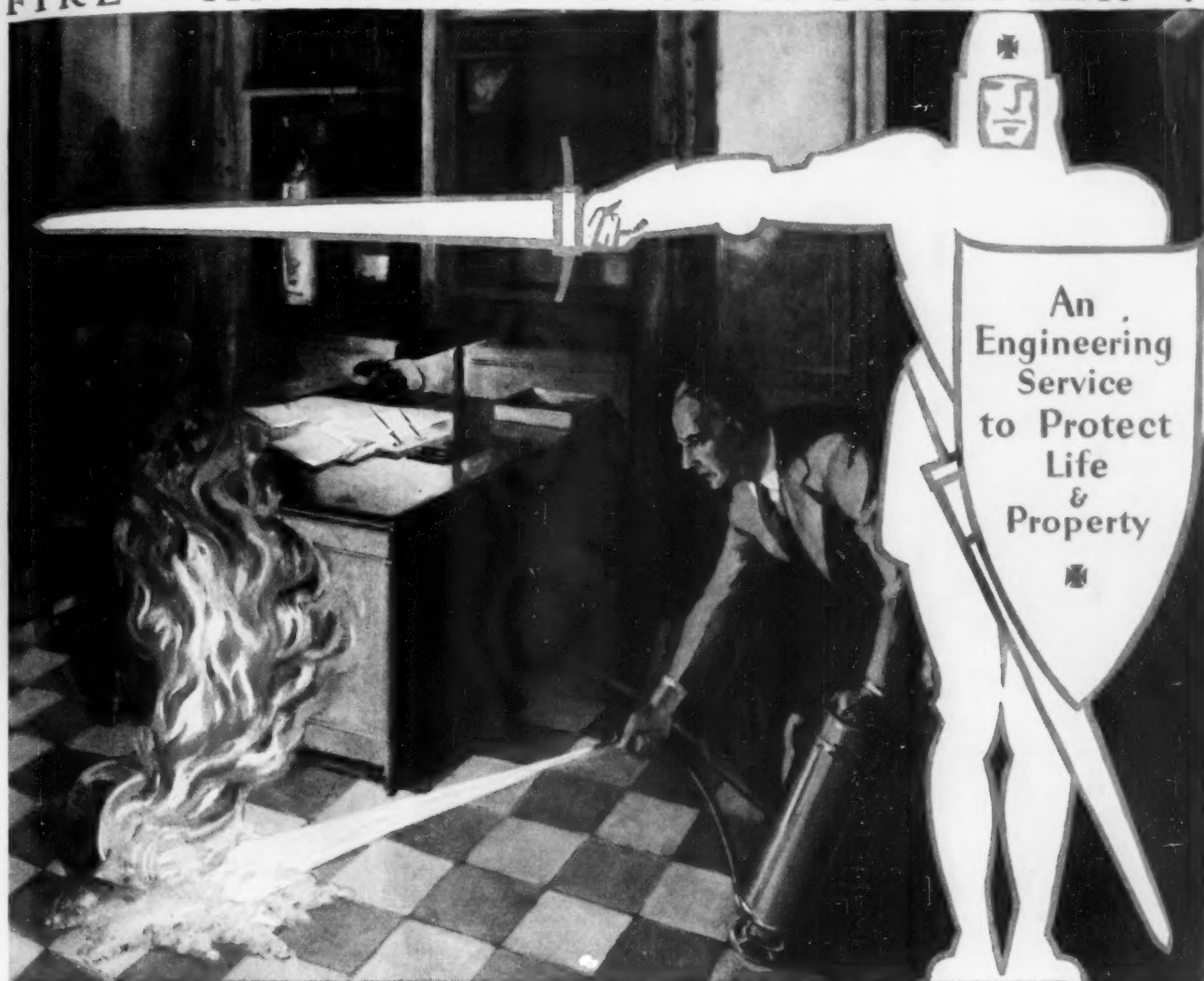
Henry Field is the trust they vouchsafe only to men who think as they do, who strive for the same economic ends, who have the same fun and sorrow, whose way of living parallels theirs.

When Henry Field desired a better wave length his listeners sent more than a million letters to the Radio Commission at Washington, urging better treatment for him. That's not counting the 73,000 sent to Field's station, along with orders, in three weeks.

When Mr. Field himself appeared before the Commission he threw on a desk sheaf after sheaf of checks, signed in blank, sent him by radio patrons, asking that he fill in the proper amount for the paint, or coffee, or pressure cookers, or tree shrubs, or what-do-you-want; the listener had not caught the exact price.

When radio birthday parties were the vogue, a station at Chicago got stories on the front pages about its 50,000 telegraphed congratulations. The Field station, now six years old, was then but

FIRE — AN INCIDENT OR A DISASTER ?



9 stories up! *A flash of flame!* Lives and buildings threatened!

Elevators speed upward. Nerves are tensed. Million dollar minds are making million dollar decisions. Few dare interrupt the palpitating pulse of American office buildings. But fire *does* dare! A spark . . . a tiny flame . . . a possible disaster — yet the right extinguisher, located for quick action, can make fire's attack only an *incident*.

Correct fire protection, based on facts, not guesswork, is assured by


LaFrance and Foamite Service. Today this service is safeguarding tens of thousands of public buildings and industrial plants.

This service includes: a detailed study to determine the fire hazards of your property by trained fire protection engineers; recommendations for the types, sizes and number of extinguishers needed; advice on proper location and installation; direction for charging and main-

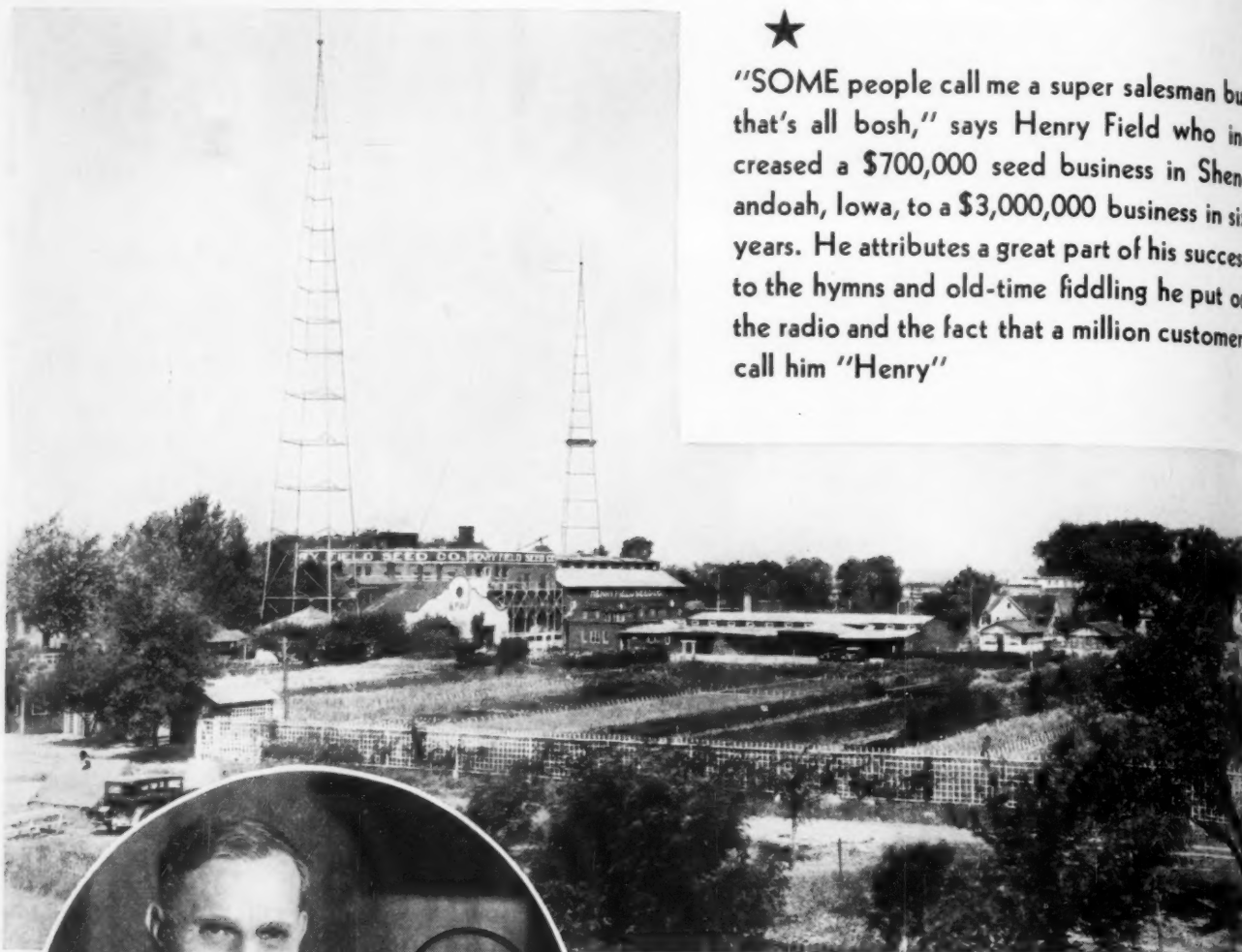
tenance; instruction of employees on proper operation.

Office buildings and sanatoriums; airports and schools; factories and candy shops . . . whatever your property may be, LaFrance and Foamite service can protect it. American-LaFrance and Foamite Corporation, Address Dept. D64, Elmira, N. Y. *Offices in principal cities.*

LA FRANCE AND FOAMITE PROTECTION
AN ENGINEERING SERVICE
AGAINST FIRE

 "Correct Protection Against Fire" is a booklet describing our service and products. A free copy will be sent you on request.





★
 "SOME people call me a super salesman but that's all bosh," says Henry Field who increased a \$700,000 seed business in Shenandoah, Iowa, to a \$3,000,000 business in six years. He attributes a great part of his success to the hymns and old-time fiddling he put on the radio and the fact that a million customers call him "Henry"

The "Seed House," Field's store in Shenandoah draws more visitors annually than the Iowa State Fair

Henry's friendly voice proves to listeners that he's just one of the folks

two. Henry Field held a birthday party, received 226,000 congratulations by wire, and ended the birthday party vogue.

More persons visit station KFNF at Shenandoah, Iowa, each year than attend the Iowa state fair. In an average January week, when midwestern roads, most of them dirt, are none too good, there were visitors from Iowa, Missouri, Kansas, Nebraska, South Dakota, Montana, Oklahoma, Colorado, Illinois, Minnesota, Arkansas, North Dakota, Kentucky, Wisconsin, Idaho, Wyoming and District of Columbia.

Pennsylvania, Texas, Florida, Arkansas, Indiana, Kentucky, Canada, France and England.

When the country cousins come visiting the city relatives in the Middle West in the summer, and their hosts say, "What shall we do now; like to see our parks or go to a good matinee, or something like that?" the visitors answer, "Well, we'd like to go to Shenandoah and see Henry Field while we're in this part of the country."

The KFNF tourist camp, which takes reservations by mail, telegraph or telephone, often is booked two weeks in

advance. The hot dog stands, rooms for rent in private homes, filling stations, taxi spaces, refreshment booths, home museums, dinners-for-35-cents, pop-corn wagons, trinket counters for the children, and tire repair places which surround KFNF headquarters find July and August their heaviest months, but nearly every month shows them some profit.

Mr. Field began broadcasting in 1923. During his first two years on the air he handled only his seed and nursery products. The gain was 33 per cent. Then he began selling other merchandise direct, and now markets more coffee, tires and paint alone than seed and nursery products, although the sales of these latter, too, show yearly gains.

Has large mail-order trade

HE sells to a little more than one million families a year. Usually a sale includes articles for several members of the family, and usually a family orders several times a year.

Three-fourths of the KFNF business

Have you a "Cinderella" in your business?



THERE are many Cinderellas in the business world—products of first-class quality that are being held back because they do not present as fine an appearance as they should. Meanwhile competitive products forge ahead, largely because they are dressed up more attractively.

We are constantly being consulted by manufacturers who seek *better packages* for their products. We know what a remarkable difference even a slight improvement can make in the appearance of a package.

Improving the Package

Take, for example, a package which lacks the appeal of striking color. Perhaps, the maker of the product hesitates to change a well known color scheme—too risky. By placing a Cellophane wrapper around such a package, it instantly "brightens up"—colors become intensified, just as a coat of varnish brings out the colors on a painted surface. The package assumes a new interest, and an air of quality that is a real sales asset.

Frequently a package suffers simply because the wrapping is not neat enough—folds are not

smooth; flaps insecurely sealed (or not sealed at all); the wrapping is not tight. This condition can be overcome by using more modern wrapping machines, which produce much finer packages, and at greater speed and less cost.

Some Cinderellas need to be decked out in an entirely new form of wrapping. There are some striking examples of real successes achieved in this line—fruit drops wrapped in foil like mints ...marshmallows put out in wax-wrapped cartons instead of in tins, to sell at a more popular price ...toilet soaps in new and distinctive wrappings.

Look to us for this service

We will be glad to sit down with you and work out a better way to package your product ...or to supply a method of wrapping a new product ...or to lower your wrapping and packaging costs. Drop a line to our nearest office.

PACKAGE MACHINERY COMPANY

Springfield, Massachusetts

New York

Chicago

Los Angeles

London: Baker Perkins, Ltd.



PACKAGE MACHINERY COMPANY

Over 150 Million Packages per day are wrapped on our Machines

is by mail, the other fourth over the counters of his "arcade," built when visitors began asking to see the articles he mentioned over the radio.

Mr. Field sells only articles used on the farm, or in the small towns, generally speaking. But not everything used on the farm can be sold by radio. For instance, he will handle no complicated mechanical contrivance of which a satisfactory picture cannot be built for farm listeners in a few terse sentences. Nor a product barren of some feature which may be emphasized.

Deals in rural staples

COFFEE and paint are the Field merchandise leaders. But many rural staples are now included in the complete Field line—alfalfa, auto awnings, baling wire, bug dust, can sealers, chains, cocoa, coats for men and women, coffee, curtains, fencing, fire extinguishers, fruit (canned), gladioli, hose for men and women, jewelry, jugs, luggage carriers, mattresses, overalls and jackets, paint, peonies, pressure cookers, radio supplies, roofing, rubbers for men and women, rye, shirts, shoes for men and women, silverware, spices, stoves, suits for men, sweaters, tea, ties, tires, towels, and underwear for men and women.

Why do one million families buy from Henry Field? Why do more people visit his station and store than go to the Iowa state fair? Why has his business increased three times over?

"Some call me a supersalesman," said Mr. Field. "That's all bosh. We try to have what the average farmer or small town or other rural-minded family wants; maintain an open guarantee on what we handle; and always play square. And we try to make our patrons feel we really are just what we call ourselves, 'the friendly farmer station'. I guess if there's any secret to our success, it's this friendliness of ours."

While we talked, maybe half an hour, at Mr. Field's desk, in an open corner of the seed house, he was interrupted on an average of every five minutes to shake hands with the members of some family, whose bearing indicated the farm.

They'd say:

"We recognized you by your picture in the catalog, Henry. We came in to visit you and the seed house folks."

They all call him "Henry."

He'd shake hands and ask, "Is there anyone especially you'd like to see? Any of the radio entertainers, for instance. You know they all work here in the seed house."

The visitors would ask for Luetta or Edith Swartz or Bill Sharp or Newsboy Pearson, or some of the 47 persons who are regularly on the air from KFNF and spend the rest of their working hours at other duties about the seed house. They would be directed to these radio favorites, there to chat a few minutes, probably buy something, and then be passed on to the next ether friend for further visiting.

At each counter they were greeted with that genuine friendliness that characterizes the place, from "Henry himself" down to the men who sweep out and keep things tidied up between turns at the instruments in the old-time orchestra.

By radio, listeners are invited to visit the station and store in this way. They come, and there they may do any or all of several things. They may go with the children to see the Henry Field zoo, 50 animals and reptiles; or listen to the old-time band in the nook of an alley back of the studio, and, if they want, pick up an instrument and help; or sit in the studio and see, through plate glass, their favorites broadcasting; or walk through the flower gardens.

Or they may visit the folks about the store and station—which together are called the "seed house." Usually they do all these. But always they visit. Their real purpose in coming was to visit.

Service as the farmers want it

THE visitors feel that these radio favorites are just folks. There is none of that feeling a farmer has after shopping at the large department-store counter presided over by an expert salesman or saleswoman—that feeling of having been looked down upon. On days when the crowds are largest the Field radio entertainers wear large buttons bearing their names, so the visitors may distinguish them more easily from the others of Field's 500 employees. But usually they are recognized from the pictures in the catalog Mr. Field sends to his million. Radio sales talks supplemented this catalog. "Henry himself" does most of the selling, in but two half-hour periods—a total of one hour of the 12 or more KFNF is broadcasting. The rest of the time on the air is devoted to information and entertainment numbers calculated to keep dials turned to the Shenandoah station, to persuade farmers and other rural-minded persons that Henry Field and his seed house family are just farmer folk.

The program includes morning worship, old-time songs, seed, poultry and kitchen talk periods, travel chats, health advices, weather predictions, road data, request song half hour, one period of modern orchestra music for the 'teen age, news and special talks for boys and girls.

When Mr. Field was arranging his first program, six years ago, he said: "I believe the farm folks would like to have old-time fiddling and gospel hymns."

Since that time he has had no occasion to vary from that belief. "Gospel hymns and old-time fiddling" still expresses his type of program.

Laughing and selling

MR. FIELD'S own half hours often are not entirely devoted to selling. Quite often he spends some time laughing over a letter he has received, or expressing sympathy for some bereaved family in a home several states away, or boosting for good roads, or trying to find a good dog for a sick boy in Montana. Along with mention of our \$30 stove and extra good shoes (if you don't know your number, just put your foot on a piece of paper and mark around it, holding the pencil straight up) there is much about the weather, crops in general, an old fiddler's illness (send him a post card, folks) and the new baby in the family of Tom Jones, down at seed house No. 4.

But, at that, "it isn't so much what he says as the way he says it."

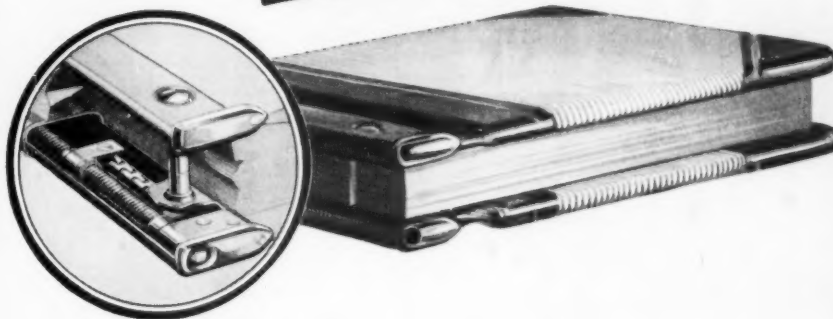
Of course, many listeners when they hear Henry Field on the air; laugh at his informal, chatty, folksy way of talking; of his saying, "This is Henry, himself, speaking now"; of his pride in his "seed house family"; of his earnest urgings about prunes, paints and pressure cookers.

A year or so ago a sophomore sophisticate at an Iowa college earned quite a bit of popularity along Sorority Row with an article he entitled "Culture Waves From KFNF." The theme was Henry Field's apparent unsophistication, as indicated by his half-hour "letter basket" radio selling talks. Mr. Field laughed at the article, read it to his hearers and asked what they thought of it. A few days later, the genial mentor of KFNF tossed onto an assistant's desk several bundles of orders that had come in with the answers and smiled: "If this be unsophistication, make the most of it."

Henry's million was mad, and saying it with orders.

WORTH MORE

SAVES MORE



The Lifetime Binder With the Money-Saving Mechanism

FLEXI-POST Binders have a patented time saving, cost cutting mechanism that is the most important factor in binder capacity, speed, durability, and value.

The bond that *guarantees* lifetime service from this mechanism serves the purpose of a Flexi-Post guaranty of five life-time savings:

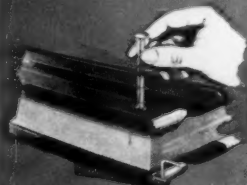
Longer life saves replacement costs. Unlimited capacity permits greater volume of work from fewer binders. Quicker, wider release saves time in adding and removing sheets. Firmer compression holds pages in exact alignment for convenient work and preserves sheets. Flush posts save vault space and prevent scratched desks.

Fourteen years of world-wide success! Binders that grow in value as they grow with your business! There are cheaper binders than Flexi-Post but none which cost so little per year.

*Let your dealer demonstrate Flexi-Post.
Mail coupon for illustrated folder.*

STATIONERS LOOSE LEAF CO., MILWAUKEE, WISCONSIN

By adding post-connections you have a binder that grows with your business.



Mail the coupon for free booklet and Lifetime Guaranty Bond facts.

FLEXI-POST

REG. U.S. PAT. OFF.

The Guaranteed Binder - a Unit of the **FAULTLESS** Line

STATIONERS LOOSE LEAF COMPANY, Dept. A-4, Milwaukee, Wis.
Send free copy of Flexi-Post booklet and Lifetime Guaranty Bond facts.
Name.....
Address.....

If You'd Learn About Trouble, Be a Barber

By SETH DUNHAM

ILLUSTRATIONS BY TONY SARG

YOU may regard your barber as an artiste, a professional man or as a necessary evil, but, ten to one, you never regarded him as a business man—that is, the sort of business man you are, with similar kinds of problems. Well, it seems he is

AS A NEW YORK barber emeritus, I desire to say a few words about the burdens of the purveyor of the twice-over shave, the boyish bob and the mud massage. I have just retired from the business after one year's experience. I entered it ostensibly as a silent partner, but emerged, after 12 months of loquacious activity, a saddened and wiser man.

The outstanding lesson learned was that the barber business embraces practically every problem of other businesses. This fact came home forcibly to me on the eve of my retirement when I attended the annual convention of the Chamber of Commerce of the United States in Washington and heard outstanding problems of industry discussed.

A careful survey of questions arising during my brief foray into barbering includes manufacture, distribution, industrial relations, foreign commerce, tariff, insurance, immigration, financing and prohibition.

This may sound exaggerated. If you

don't believe it, just go into the barber business for yourself. When you have had your turn, you will gladly emerge and reenter your present activity to obtain a complete rest. This statement goes for whatever line you are in, because, certainly, barbering contains incomparable grief.

Trouble for less money

PERHAPS there is a germ of an idea here for contenting men with their own businesses. One can get into the barber

business comparatively cheaply. It cost me only about \$3,500. Since many men with millions invested in industry are firm in the belief that their lines encompass all the grief in the world, why would it not be a good idea for such discontented souls to buy barber shops and learn contentment in their present lines?

Conviction that a great demand exists for barber service inveigled me into the business. Almost anyone outside of the line must be convinced that, with women using barber shops as much as



My upstairs shop taught me that men won't have their hair cut above the ground floor



If you keep a barber more than three months he builds up a line of customers. That's bad business

men, there is much money to be made in the industry. That is true enough if you can get customers into your shops. But devising ways of getting them in is a highly specialized line.

Location is the biggest thing of all. The outsider is likely to think that since whiskers and hair grow wherever people are, the demand for barber service is likely to arise everywhere. This is a great mistake.

Hair will grow at the top of a skyscraper, it is true, but people won't have it cut above the street floor if they can help it. There is a growing tendency in industry to remove manufacturing plants from the high rent district to save money, and this generally is a good idea, but a poor one in barbering. My advice to ambitious barber shop owners is to rent the most expensive space on the most prominent corner of the first floor of the biggest building in every city. I learned the value of location by having an upstairs shop.

Good schemes that didn't work

A PRIMARY requisite in the manufacturing end is to be a barber yourself. Never having had such educational advantages, I quickly bemoaned my lack of artistry. A knowledge of production not only is necessary to keep customers pleased, but it also is of incalculable benefit in making one think as barbers think. There may be those who contend that barbers do not think, but I assure you they think very fast indeed. Most

of them thought entirely too fast for me.

Initial difficulties arose from the questions of conversation and tips. In my benighted state, I believed that customers did not like conversation and that they resented the so-called "tipping evil." Hence, one of the first reforms this tyro sought to inaugurate, was a curb on talking and tipping.

Not only the barbers, but the customers, resented both. The scheme was dropped after a few days' trial.

The truth is customers, rather than barbers, are to blame for both barber shop chatter and tipping. Whether they realize it or not, most customers come to a barber shop to broadcast their opinions on such pressing subjects as the outcome of the fourth race, the day's ball game, or the antics of their automobiles, and to tip generously.

The major barber shop problem, however, is not that of keeping barbers in line. As in crime, when looking for the source of grief in a barber shop, find the woman. In other words, the manicure problem surmounts all others. As a mere financier of a shop, of course, I never had anything to do with the employment of the manicures but when I saw a new one on the job at least once a week, and often twice, my curiosity was aroused. I asked the manager to explain it. His English absolutely failed him and he went off into a string of Italian.

An expert translator, who helped me pick up the head barber from the floor

after he had fallen from the sheer exhaustion in attempting to get all he had to say about manicures out of his system, explained it something like this:

Manicures are enlisted through agencies which care very little about the quality of the work done. If a manicure has a pair of scissors and is willing to work, the agencies generally will recommend her highly and put her on the job.

Manicures who get lost

IF IT develops that she is deficient in arithmetic, or dishonest, and hands back a customer only eight or nine fingers after having received ten, the agency will gladly supply you with another manicure, for a new fee. Probably she is worse than the first.

Most manicures expect business to boom from the minute they get on the job, and, if it does not, they walk out without the customary preliminary of telling the boss they are going. Monday morning usually dawns bright and fair with many customers waiting for manicures, but the manicure doesn't always dawn. If all missing manicures were listed in the Lost and Found columns of Monday morning newspapers, there would be no room for the Sabbath automobile accident news.

As more or less of a sales and distribution expert, it occurred to me that our sales methods were all wrong. The building in which we operated contained about 8,000 persons. Probably 200 of them patronized the shop. Obviously, advertising was needed. When I suggested this to the manager, he agreed and said:

"What we need is some nice blotters."

Now if there is one advertising medium that I don't believe in, next to chicken supper programs, it is blotters. Therefore, we didn't go into blotters. We got out individual letters, cards, special price offers, and even sent agents through the building. Business didn't improve much and when I took the matter up with the manager, he looked doleful and commented:

"I knew that would happen if we didn't get the blotters."

The theory that a customer will ask for what he wants in a barber shop is all wrong. It offends me, and doubtless does you and every other customer in a barber shop, to have a barber try to push dandruff cure, massages and singes on you, but doubtless it is the only way that they can be sold. Our shop rule to sell a customer only what he asked for resulted in the sale of a lot of shaves but no accessories. That is mighty poor busi-

2109

2109 Stuebing Lift Trucks—an average of nearly 211 each—is a sufficient number to prove that Stuebing is no experiment with these ten leading industrial organizations.

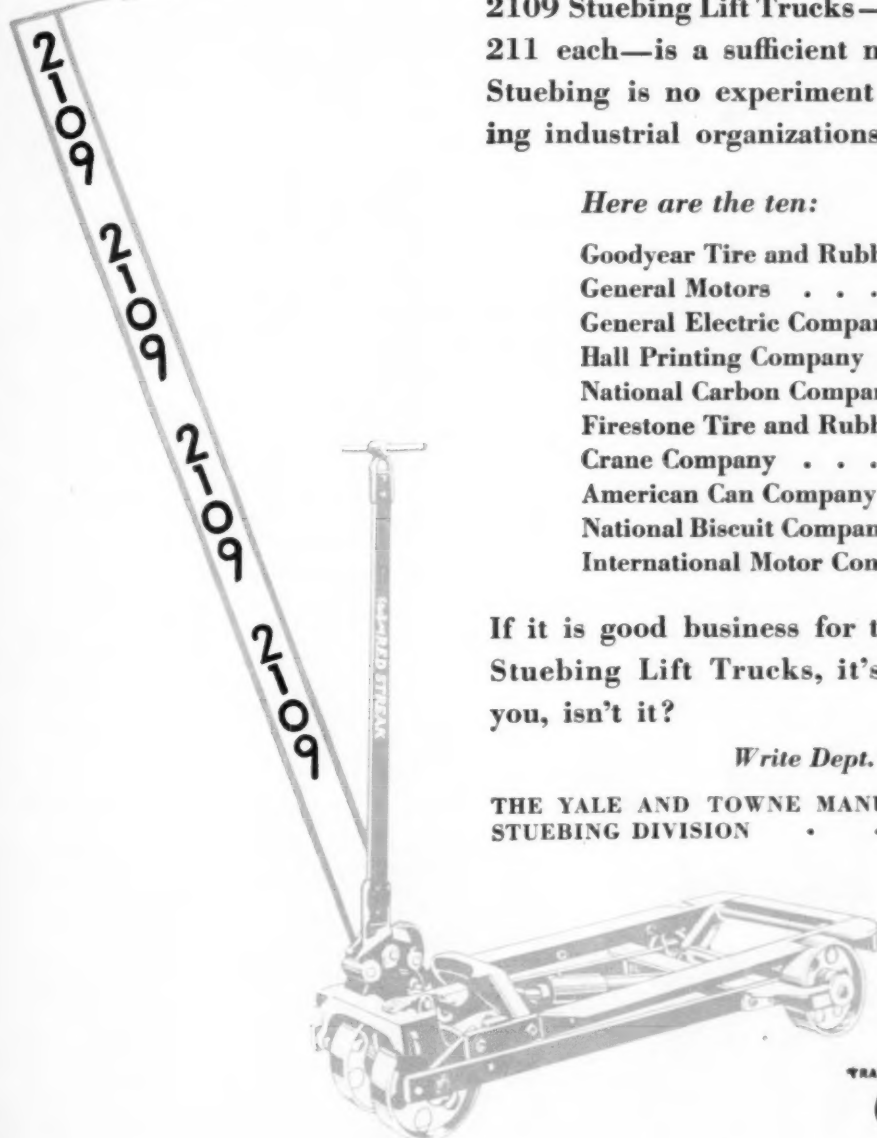
Here are the ten:

Goodyear Tire and Rubber Co. . .	360
General Motors	498
General Electric Company . . .	145
Hall Printing Company	70
National Carbon Company . . .	72
Firestone Tire and Rubber Co. . .	142
Crane Company	343
American Can Company	277
National Biscuit Company	80
International Motor Company . .	122

If it is good business for these concerns to use Stuebing Lift Trucks, it's good business for you, isn't it?

Write Dept. K-10

THE YALE AND TOWNE MANUFACTURING COMPANY
STUEBING DIVISION . . . CINCINNATI, OHIO



TRADE *StueBing* MARK

YALE

Hoisting and Conveying Systems

ness. My recommendation, therefore, for wide distribution of barber products is give them lots of blotters and try to sell them everything in the shop.

Most recognized theories of industrial relations go by the boards in the barber shop. Particularly the theory that it is good business to make employees happy and keep them on the job for years.

As the man who finally bought us out explained:

"It is bad business to keep a barber on the job more than three months. Almost invariably he works up a line of customers who will not patronize any other barber.

One way to lose customers

"THIS is bad day-to-day business, but what makes it worse is that just as soon as this barber has saved up enough money, he will start a shop of his own in the neighborhood. The result is that you lose business from day to day while he is waiting on his regular trade and then, when he quits, he takes most of his regular trade with him."

In line with this argument, the first thing that the purchaser did upon taking over the shop was to remove the barbers' names from the mirrors.

It is difficult for a man who has been engaged in other lines to accustom himself to the small amounts of money involved in the business. New York's scale is \$25 a week and half of the gross over \$40. As a result, the barber who makes \$30 a week or more is pretty well pleased.

When, at Christmas, I suggested some presents for the employees, the manager agreed that might be a good idea, but cautioned us against going too high. He finally made the arrangements himself and, I believe, his presents were from \$2 to \$5 per man. When one of the barbers was ill for four days and I insisted upon paying him in full, the manager agreed reluctantly.

It is amazing how closely some men will scrimp on barber work. The manager of our building, who was a brother of the millionaire owner and well fixed in his own right, never bought anything except a haircut. He would show up about once in two months, buy a haircut, tip the barber a dime and disappear. One week he raised our rent 20 per cent a year

and we felt sure that on the strength of that he would buy a shave as well as a haircut. But he fooled us.

The most inexplicable tangle in which we became involved concerned the bootblackening privileges for the building. We let this out to a young fellow and when, upon our rent being raised, we discussed raising his, he suddenly revealed that there were some ten floors in the building on which he was not allowed to operate.

Inquiry developed that bootblacks in various parts of New York, who were paying no privileges whatever, were coming to these ten floors and taking away the business. I promptly promised to carry the matter to the owner of the building and get justice for our bootblack, and, incidentally, some more rent for ourselves.

At first the bootblack seemed pleased, but in another 24 hours he pleaded with us to say nothing about the situation. Whether he got a letter from the Mafia or not is beyond me, but here was a problem in industrial relations too deep to fathom.

That very present problem of prohibition and the illicit sale of liquor also crossed our path. Barber shops frequently are used these days as "blinds" for bootleggers. Some months after we took over the property, we heard that the shop originally was a "blind" for one of the most prosperous bootleggers in New York.

In fact, he did so well dealing in Scotch and gin, that he recently retired

from the business and opened a thirty-chair shop.

Odd as it may seem, barbers who buy supplies containing alcohol in quantities today are watching the prohibition and the tariff situations closely to see what effect they are likely to have on the cost of their supplies.

New York barbers also watch the immigration problem closely. Nearly all New York barbers come from southern Italy. A lifting of the immigration ban would mean a better supply of men than is obtainable today.

The business is full of financing pitfalls. Probably no other line in the world is so cluttered up with mortgages. Most shops are sold on a dollar down and many mortgages basis.

In my case, the agent almost dropped dead when I paid cash for the shop. I later learned that I could have bought it for a very small cash deposit. When



If a manicure has a pair of scissors and is willing to work the agencies recommend her. If she won't do they'll send you another—for a new fee



*Lydius House, Albany, in
1795. Opposite is the
famous Elm Tree Corner.*

Ten Generations of Americans

HERE is a business that has served and benefited ten generations of Americans!

Mutual insurance was founded in 1752—twenty-five years before the birth of the Republic. The giant mutual structure of today operates on exactly the same principles and plan that were used by the earliest companies.

There is something compelling in a record of this kind—a striking evidence of stability; of strength; of fundamental rightness.

Under the mutual plan, policyholders own the business. Any savings that result from economy in management, benefit them directly in the form of annual dividends, which reduce the cost of their insurance.

The mutual casualty companies listed below, leaders in this field, are protecting over 500,000 policyholders, corporations and individuals; have assets in excess of 85 million dollars; have returned to their policyholders in the form of dividends, over \$100,000,000.

Every business man owes it to himself to thoroughly understand the mutual plan of insurance. Write today for an interesting booklet. No solicitation of any kind will follow. Address Mutual Casualty Insurance, Room 2201, 180 North Michigan Avenue, Chicago, Illinois.



MUTUAL PROTECTION IS AVAILABLE
FOR THESE CASUALTY RISKS:

Accident and Health	Liability (all forms)
Automobile (all forms)	Plate Glass
Burglary and Theft	Property Damage
Workmen's Compensation	Fidelity

MUTUAL CASUALTY INSURANCE

These Old Line Legal Reserve Companies Are Members of

NATIONAL ASSOCIATION OF MUTUAL CASUALTY COMPANIES and AMERICAN MUTUAL ALLIANCE

Allied Mutuals Liability Insurance Co., New York City; American Mutual Liability Insurance Co., Boston, Mass.; Builders Mutual Casualty Co., Madison, Wis.; Central Mutual Casualty Co., Kansas City, Mo.; Employers Mutual Casualty Co., Des Moines, Ia.; Employers Mutual Liability Insurance Co., Wausau, Wis.; Exchange Mutual Indemnity Insurance Co., Buffalo, N. Y.; Federal Mutual Liability Insurance Co., Boston, Mass.; Hardware Mutual Casualty Co., Stevens Point, Wis.; Intertoro Mutual Indemnity Insurance Co., New York City; Jamestown Mutual Insurance Co., Jamestown, N. Y.; Liberty Mutual Insurance Co., Boston, Mass.; Lumbermens Mutual Casualty Co., Chicago, Ill.; (American) Lumbermens Mutual Casualty Co. of Illinois, New York City; Merchants Mutual Casualty Co., Buffalo, N. Y.; Michigan Mutual Liability Co., Detroit, Mich.; Mutual Casualty Insurance Co., New York City; Texas Employers Insurance Association, Dallas, Texas; U. S. Mutual Liability Insurance Co., Quincy, Mass.; Utica Mutual Insurance Co., Utica, N. Y.

When writing to NATIONAL ASSOCIATION OF MUTUAL CASUALTY COMPANIES please mention Nation's Business

Stop Motor Complaints

If motors are responsible for an appreciable part of your complaints, you have not the right motor for your job. The use of small motors is growing so fast that Wagner is able constantly to improve small-motor performance. You should check your present motor against the latest improvements in Wagner Motors. No one can risk being behind competition.



Wagner, Quality

Wagner builds every commercial type of motor and can recommend without prejudice.

Literature on Request

WAGNER ELECTRIC CORPORATION

6400 Plymouth Ave., St. Louis

Sales and Service in 25 Cities

PRODUCTS • • • FANS: DESK, WALL, CEILING
TRANSFORMERS: POWER DISTRIBUTION INSTRUMENT
MOTORS: SINGLE PHASE, POLYPHASE, DIRECT CURRENT

61-7932-9

When writing to WAGNER ELECTRIC CORPORATION please mention Nation's Business

we finally disposed of it, the agent was happy beyond words because he was able to obtain a 30 per cent cash payment from the customer. Investigation proved that he had good reasons for exultation. Any number of shops can be bought on a ten per cent cash payment.

The mortgages plastered on most shops are astounding. Furthermore, because most of the shops are owned by Italians with a great similarity in names, it is almost impossible to determine whether a shop is mortgaged or not.

There was no mortgage on our shop when we got ready to sell it, but one cautious customer had a reputable title and mortgage company make a search with the result that three mortgages were reported. Inquiry developed that there were mortgages on other properties given by three different Italians with names similar to that of the manager of our shop.

Padding the receipts is a usual thing when a sale is in prospect. The agent with whom we listed the shop almost collapsed when we told him that we did not want him to run friends into the place and pad the receipts during pending sales negotiations. He said it simply wasn't done in such businesses as barber shops and restaurants. The fact that something like 25 of the best customers we had during our trial purchase period never showed up again caused us to believe that possibly we were "stung" slightly in buying.

The prevailing notion that women get most of their work done at barber shops nowadays is all wrong. Because men are not used to seeing them in shops, it seems that all of them come there. As a matter of fact, most of them go to beauty parlors. Out of several thousand girls in our building, we had less than half a dozen customers.

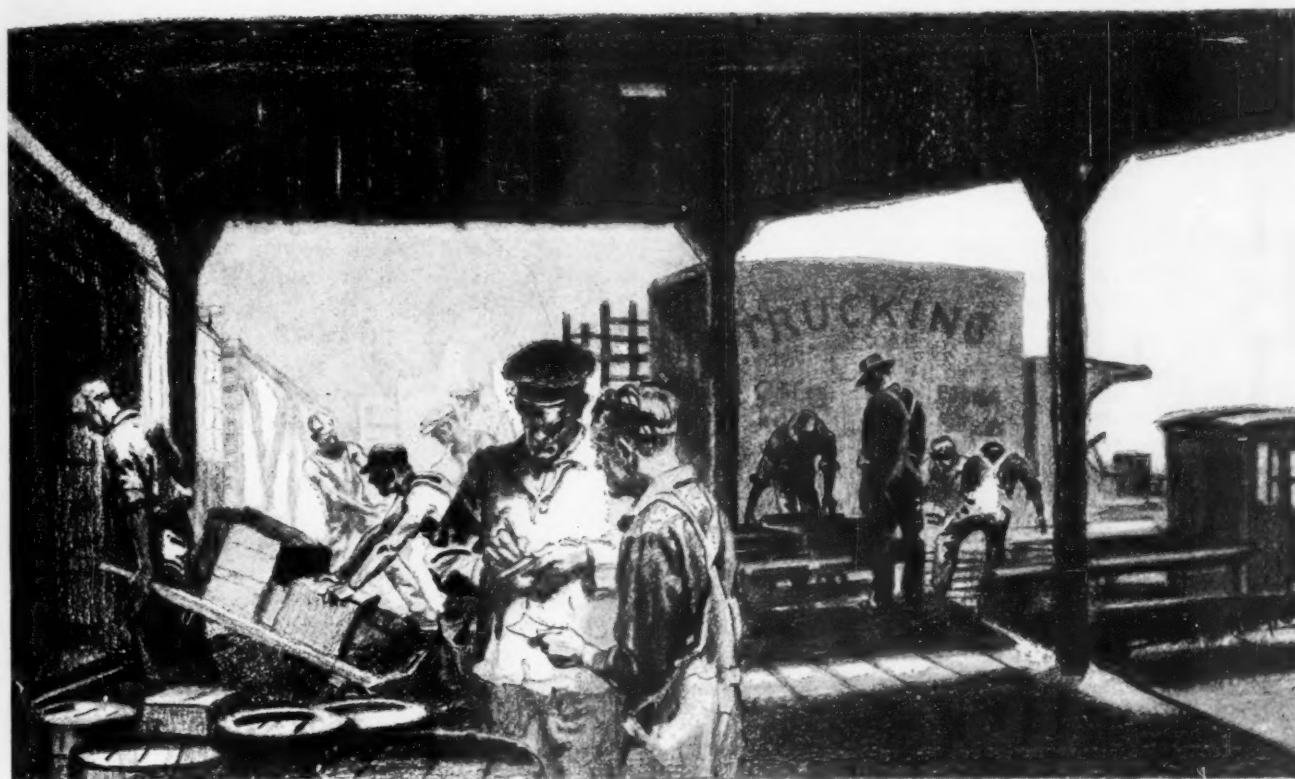
A few large barber shops make money. Most small ones don't. As a side line for a nonpracticing barber it is the finest business I know of to keep out of.

Wind Strains Tested

THE Government is learning the effects of gales on high buildings through models constructed for tests in the Bureau of Standards wind tunnel.

By pressing an electric button a wind force up to 75 and 80 miles an hour can be created in the tunnel. The resulting strains on the models are calibrated by delicate instruments.—A. P. R.

Goods start to market DAYS EARLIER



A Mid-Western manufacturer entering national distribution found the time his goods waited for mailed sales orders was eating up his profits. He solved his problem by Postal telegrams. Started each day's goods to market days earlier. Reduced inventories. Increased turnovers.

HOW POSTAL TELEGRAPH REDUCES COSTS IN NATIONAL DISTRIBUTION

A NEW RULE—tested and proved—has become part of the modern science of National Distribution. It is: Delays on incoming sales orders must be avoided.

For it is now discovered that slow arrival of sales orders, as much as slow shipping practice, may result in high inventories, tied-up capital. National manufacturers are therefore instructing salesmen to telegraph in each day's orders.

Already over 90% of the millions of Postal telegrams relate to business affairs. The business world is becoming telegraph-minded in negotiations as well as air-minded in travel.

Speed, accuracy, reliability, privacy and a written record of all communications—offered by Postal Telegraph—are daily increasing the

use of this vast telegraph system. The Postal Call-Box has become standard equipment in business offices everywhere.

The enlarged Postal Telegraph brings not only the markets of America, but those of the whole world to your very door. Over Commercial Cables and All America Cables—parts of the International System—your messages are extended to Europe, Asia, the Orient and the countries of Central and South America.

Mackay Radio puts you in touch with ships on the Atlantic and Pacific Oceans.

Thus, American business striking into world-wide speed-marketing finds its ally in this International System represented by Postal Telegraph.

Postal Telegraph



Commercial
Cables

All America
Cables

Mackay
Radio

THE PATTERN OF COMMERCE



AS SEEN BY
Raymond Willoughby



BELATED as are the statistics, it is rather illuminating to have the figures on the voltage consumed in New York's New Year celebration. As figured by the New York Edison Company, the welcome to 1930 required 461,000 kilowatt hours of electricity in excess of the amount used the night before.

That figure is equivalent to the use of 9,220,000 fifty-watt lamps for one hour. The demand for more light began an abrupt rise at 10:30 o'clock on the night of December 31, and at midnight reached its peak. At the zero hour the current was 113,000 kilowatts above the preceding midnight. The peak held almost level until one in the morning of January 1—a bright New Year and no mistake. Then the peak dropped off slowly until 2:00 o'clock. After that hour it slid down much faster until 5:00 o'clock, when it reached the consumption figure of the same hour the day before.

It is plain enough now that revelry was still going strong at 2:00 o'clock in the morning. After that, a good many human batteries must have run down,

and only the determined old power house was able to make a complete night of it—reason enough for being known to fame as a “public utility.”

♦ To Market by Truck

DISTRIBUTION has its new styles, as well as wearing apparel and house furnishings. While retail stores on wheels are still regarded as something of a merchandising novelty, the motorized jobbers rumble into view 10,000 strong, by the estimate of *Commerce and Finance*. They operate a total of 35,000 to 40,000 trucks, and each unit services from 40 to 50 retail stores a day, with a weekly average up to 300 retailers. These figures, so the report goes, include only those distributors who are in business for themselves. They do not include the joint sales and delivery systems owned outright by food manufacturers.

The future of this direct distribution has invited appraisal and comment. As in this expert opinion:

“Heavy bulk goods and staple canned products may continue to move through

the old jobbing channels, although the smaller manufacturers, striving for wider distribution of their goods, will doubtless experiment with the new system. Where sales of an article are less than a case a week, buying in the smaller quantities made possible by direct distribution seems certain to spread.”

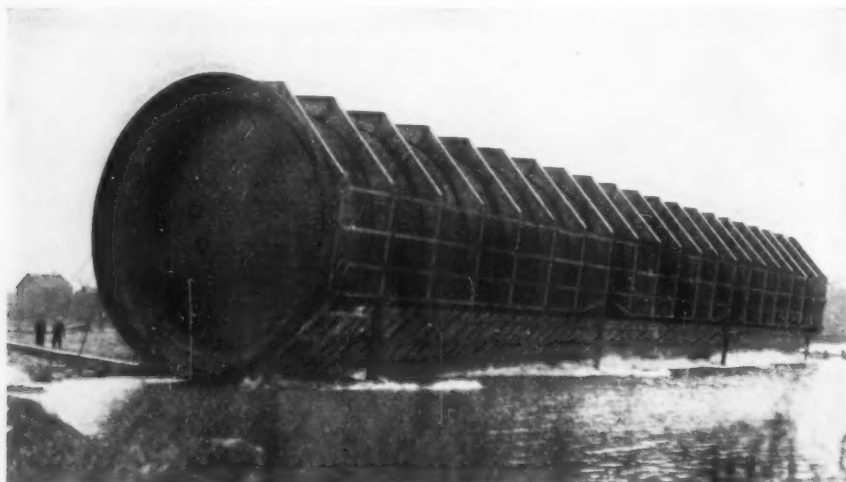
Modification of the whole perishable-food business and profound changes in the entire marketing structure are forecast on the present promise of the frozen-food industry. Trucks with ice boxes for the refrigeration of salad dressings, cheese, and butter are no curiosity, but the expansion of the frozen-food industry would seem to be ruled by the requirement for a more specialized cooling equipment. There is the opportunity of the manufacturers of artificial refrigerating devices.

With the present taste for hand-to-mouth buying and package foods developing in an era of mass merchandising, the “wagon jobber” may be able to bring the delivery functions of distribution into better line with the economies of mass production.

♦ Painting With Light

A WHOLE new art of decoration, both for public buildings and for private houses, is suggested in the brilliant effects of colorama, defined as “painting with light.” First demonstrated in the great ballroom of the St. George Hotel in Brooklyn, this new method of lighting sprays an intricate pattern of color upon the dead white of the walls and ceiling in a hundred thousand combinations, if desired.

Thousands of small electric lamps provide the fountains of light. These lamps are concealed with a series of covers and fluted panels. Color caps and aluminum collars over the lamps regulate the blending of the effects. Only three colors, red, green, and blue, are



One of the ten great tubes for the Detroit-Windsor vehicular tunnel takes to the water for a life sentence on the river bed

used, but the dimming and mixing give many variations to the tones of gray, orange, black, and white, yellow, purple, and cerise, as well as the pastel shades of red, blue, green, and purple.

The entire system may be operated from a central switchboard by one man. The designs and colors may remain fixed, or move according to a prearranged plan. Thus, the ballroom may be a cool, light green and blue for luncheon. Then white and amber, say, for afternoon bridge, and later, in deep rich reds and browns for an evening banquet.

And it may be that the engineers of the General Electric Company have done more than entreat the eye. Perhaps they have given psychology a needed lift. With such an installation as they have put on view in Brooklyn, it ought to be possible to find out more about the effects of colors on the human mind. Knowledge on that score has been pretty largely guesswork.

This new ballroom lighting will permit the exposure of great crowds of people of many different varieties and backgrounds to literally thousands of color combinations.

In a manner of saying, Brooklyn's ballroom novelty has arrived at the psychological moment.

♦ Our Friend, the Riveter

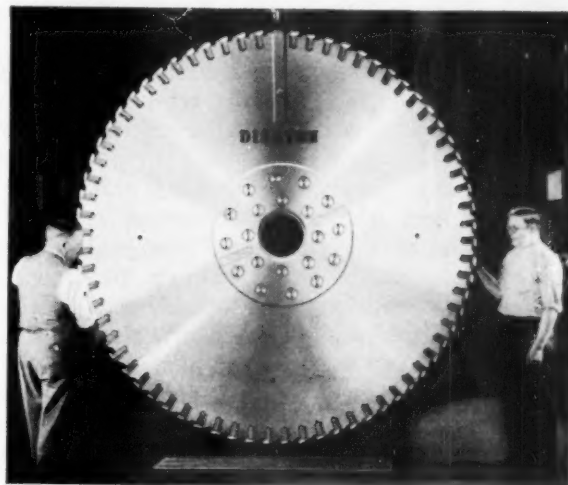
INDUSTRIOUS as the age has been in confounding us with movement and with sound, there is still hope that the quick and the deaf are not the whole of our civilization. There is considerable evidence to show that many good minds are working to beat din. A present example is provided in the decision of the Austin Company, Cleveland builders and engineers, to offer electric welding of structural steel regularly.

Once the idea spreads throughout the building industry, if it does, we shall get around to fairly quiet construction—and, after all, perhaps, posterity will look upon our times as the beginning of the noiseless age. But inviting as this silent revolution may appear through the corridor of time, it would leave us bereft of one of our most picturesque institutions.

Who or what would take the place of the riveters? There is much of the up-and-coming spirit of America in these men of high places. Courage, the will to do, a stout-heartedness that finds

a ready fellowship in the bright face of danger. There is infectious steadiness in the very sight of men who can keep their balance so serenely, so cheerfully, so productively.

For our part, we should miss the riveter and his works. Life seems less wobbly, less topsy-turvy within ear-shot of his tireless hammer. Metallic,



The Midvale Company, Philadelphia, uses this 110-inch saw to cut up giant castings

positive, arresting, the incisive staccato of his song acclaims each new height attached by an aspiring world.

♦ A Bank Buys Bulls

BANKERS and "bull" movements frequently seem to have a natural and effective affinity. Perhaps the discovery of a little identification in Nansemond County, Virginia, is to be set down as something of a novelty. It all began when the American Bank & Trust Company of Suffolk saw the need for diversifying the agricultural products of its community. It decided to encourage the establishment of a local dairying industry by stimulating interest in the breeding of pure-bred stock and the elimination of "scrubs."

First the bank bought six pure-bred Guernsey and Jersey bulls for allotment to farms in as many different parts of the county. Three more were added some time later. The keepers of the bulls report each service of the animals, for which the keeper is allowed a fee of \$1. This arrangement enables the bank to keep an accurate record of the distribution of the progeny. At the end of last year the bank had recorded more than 500 services. Cash prizes, paid by the bank, are awarded annually to the keepers on the competitive showing of the animals in their charge. An exhibit

of the bulls and pure-bred stock at the county fair serves to keep the bank's contribution in the public eye.

The helpfulness of the bank's enterprise is revealed in the establishment of a creamery route, which assures a steady market for the excess production of milk and cream; in the new commercial dairies now in operation; and in the improvement of the soil. Further impetus to the bank's efforts has been achieved through its loans to farmers who buy cows for the production of cream on the new creamery route. This aid runs to 80 per cent of approved risks, and may be repaid over a period of 20 months in equal monthly instalments.

An enlightened sense of public service and responsibility informs the bank's statement of its faith:—

We believe that much good can be done in promoting the wealth of a rural community by studying its problems and helping to solve them, and as a banking proposition the cost and expenditures will take care of themselves through increased good will, the extension of friendship and the success of those interested. We believe that by helping our county farmers we are ultimately also helping ourselves.

The crystallization of an ideal into words is progress of a sort, of course. To translate it into the substance of an intelligent prosperity for the whole community, as this bank has done, is citizenship of the highest order.

♦ Mail-Order Mortgages

FAR OFF as the mass production of houses may be, Sears, Roebuck & Company is making it clear that they can be "ready cut" at the mill for assembly by the buyer and then financed on long-term monthly instalments. According to General R. E. Wood, president of the Company, the homeseeker will be able to build under the new plan and pay off the mortgage like rent in instalments as low as \$25 a month over a period of 15 years, if desired.

The company will lend up to \$3 for every dollar put up by the buyer on the house and lot, the house being of any architectural style and costing from \$2,000 to \$25,000. It was estimated that the instalments would run about \$8.40 per month on each \$1,000 involved. In addition to the building of the new houses, the company will finance the remodeling and modernizing of old

houses. Whether or not this plan will result this year in construction amounting to \$100,000,000, as the company anticipates, it promises to bring new terms into an old industry.

♦ A New Rôle For Niagara

OF COURSE, there's more of business than philanthropy in the industrial counsel offered by the Niagara-Hudson Power Corporation of New York. Through the engineers of its industrial bureau at Albany, the Corporation proposes to give advice to all manufacturing concerns which are facing production and distribution difficulties incident to plant location.

This new service is predicated on the belief that "increased industrial activity will mean more business in every direction, and naturally including increased consumption of power." According to its announcement, the Corporation will seek to interest only those firms which it is believed can do business better and more economically in New York State. And no doubt it is true that "it is no boon to any state to have industries which are seriously handicapped by circumstances of location."

Once the Corporation's advertising campaign gets going nationally, the Niagara and Hudson rivers are more likely to seem fountainheads of industrial information than romantic tides for the transports of tourists and honeymooners.

♦ Principles of Publishers

PEOPLE who profess to see more of the flesh than the spirit in business make a fashion of saying that the pocket nerve is the most sensitive known to man. They would have us believe that no principle will be maintained against the loss of trade or custom. Still, it is demonstrably true that there are levels of practice on which policy is not conditioned by the matter of income.

An example in the affirmative is provided by the publishers who are consistently concerned to protect the public from fraudulent and deceptive advertising. Dubious representations banned last year by publishers would have brought \$2,000,000 at the usual rates. And that was not the whole of

the voluntary loss. By report of Edward L. Greene, general manager of the Better Business Bureau, New York, "many publishers reported the rejection of hundreds of thousands of dollars in revenue, but could quote no accurate figures."

It is easy to agree with Mr. Greene that "most of the frauds that prey upon the public are dependent upon advertising in one form or another to reach their victims." The figures give substance to his assurance that "honest magazine publishers are protecting their readers from these frauds by refusing to publish fraudulent or deceptive advertising."

Needless to say, and hence it is said, publishers who regard themselves as trustees of the public confidence will take the public interest seriously. Mr. Greene's testimony gives a timely pertinence to a courageous editor's blunt avowal that he "regarded himself as holding a place of greater responsibility and usefulness than any within the gift of the President or the electorate."

♦ A Sight For Gulliver

COULD Lemuel Gulliver now include DuQuoin, Illinois, in his inspired travels he would see an electrically-operated shovel as big as anything in the land of Brobdingnag—a very giant of a shovel, a shovel to put in a book.

This veritable Great Dipper of the earth is used in stripping coal at the Fidelity Mine of the United Electric Coal Company. At one fell scoop it can bite out enough dirt to fill a trench a foot wide, six feet deep and 68 feet long. Its spacious maw is equivalent in capacity to a room 7 feet long, 7 feet wide, and 8 feet high. The reach of the

dipper is about 85 feet above ground. It has a pushing and lifting power of approximately 100 tons. It would make nothing of lifting an ordinary railroad car full of coal.

The electrical equipment of this shovel produces the equivalent of 4500 horsepower, yet all the operations are easily controlled by one man—a modern Lilliputian to make the spectacle seem like old times to Swift's famous tourist.

♦ The Real Basis of Value

IT IS an old saying in business that the worth of a property cannot be told by its taxes. The big thing in determining the value of commercial properties is what the building can be made to earn under good management.

Unsupported by earnings, the market value of surrounding properties and the reproduction value of the structure being appraised are worth exactly nothing, says Preston Nolan, a Chicagoan who makes a business of appraising real estate. On that premise, the wages of elevator operators yet unborn are more important in the appraisal of income property than yesterday's sale of the building next door.

♦ Seattle Lifts Her Face

SEATTLE may not see as much art in moving Denny Hill out to sea as Mr. Shakespeare contrived in preparing to move Birnam Wood to Dunsinane. Yet the shrinkage of this urban mound under the assault of power shovels is as bold in design and execution.

The "legs" of this movement are provided by an overhead system of belt conveyors. Six movable field conveyors, each about 200 feet long, take the earth scooped up by the shovels and deliver it to the main conveyor, 2850 feet in length. Day and night the shovels shovel and the conveyors convey. The hill comes down at the rate of 600 cubic yards an hour.

Meanwhile, Seattle goes quietly about its business, for this job is being done without the use of trucks, without traffic interference, and without noise or disturbance.

So much for the engineering. If there is any lesson in this enterprise it must be that if a city doesn't like its natural face, it can have it lifted in the modern manner.



RED WHITING PHOTO

The Grand National Bank, St. Louis, provides a private drive and special tellers for autoists

B

YEARS LATER...

LABOR TURNOVER
CUT from 50% to 15%

by—

MAY'S

BONUS

METHOD

J. W. Driessen, Vice President and General Manager of the National Box Co., Chicago, says:

"During cotton-picking season, the negro labor turnover in our Natchez plant used to reach 50%, seriously slowing up production. Late in 1926 we installed the May Bonus Plan, having used the Plan most successfully in our Chicago plant. Even before the installation was complete, our savings fully paid for the cost of the May service. Now workers are averaging 10% greater earnings, and labor turnover has been cut from 50% to 15%. Since the May Bonus Plan has been in operation, the company has also enjoyed a machine production increase of more than 20% in volume, with less wastage."

The quotations used in this advertisement are from a Gould Report of the National Box Co., Chicago, and are guaranteed authentic. More detailed reports and data on other May installations may be had on request.



A department of the National Box Co., manufacturers of wood shipping containers, with plants in Chicago and Natchez, Miss.

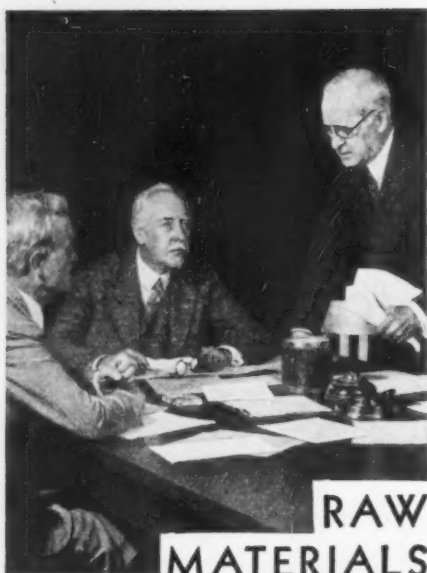


GEORGE S. MAY INC.

COST REDUCTION • SALES ANALYSIS • COST SYSTEMS • APPRAISALS

2600 North Shore Avenue, Chicago

712 Chanin Building, New York



RAW MATERIALS NOW WASTED

An abundance of vegetable oils and cotton linters invite makers of paints and lacquers to utilize these raw materials.

The thriving Piedmont Carolinas' furniture industry and the \$102 per capita building program of this region combine to offer attractive markets "at the door."

Coincident to the furniture industry is a wood-waste problem that invites another branch of the chemical industry to profitable investment. Acetic acid, wood alcohol, and a dozen other products now lie tied up in waste piles of Piedmont Carolinas' furniture factories.

The facts are well worth investigating. For the bare statistics presented in this book are sufficient to point the way to many to make fortunes equal to those who have pioneered in this section in textiles, furniture, rayon manufacture, and in many other lines.

Write for the book "Piedmont Carolinas" today. Address, please, Industrial Dept., Room 137, Mercantile Bldg., Charlotte, N. C.



DUKE POWER COMPANY

SOUTHERN PUBLIC UTILITIES COMPANY
AND OTHER ALLIED INTERESTS

When writing please mention Nation's Business

Will Lack of Fuel Make Autos Useless?

(Continued from page 48)

(and the largest part of it is already used in automobile radiators to prevent freezing) is made from molasses or other sugar by-products. If it is ever used in a large way as fuel a lot of land must be devoted to raising the raw material. Maybe that will turn out to be a really practicable way to solve the farm problem. The fundamental difficulty with the use of organic wastes is their bulkiness and cost of collection and transportation to treatment plants. It could be done if the price of alcohol went high enough (now it sells for around 50 cents per gallon wholesale) but it is quite probable that some of the other possible substitutes will come in first.

Motor fuel from coal

WHEN a ton of coal is made into coke it yields as a by-product about four gallons of light oil, from which about three gallons of benzol can be made, and benzol can be used as a motor fuel. It could be but it isn't now, because the new industry of nitrocellulose lacquers makes a big demand for volatile solvents. Some new ones have been made but at present benzol is used for that and a variety of other chemical processes and commands a price that puts it out of competition with gasoline.

Since only a small part of our coal supply can be made into coke there is a business limit to the amount of benzol we can make in that way.

There is another process known as low-temperature carbonization that offers a good deal of promise. It yields a product to be burned as coal is now, which has a special limited market. It yields about as much benzol as coking does, and about 25 gallons of tar from which more benzol could be made.

But even if it were possible to treat all the half billion tons of bituminous coal we produce each year by this process we still would not produce one-third the motor fuel we are using annually. Low temperature carbonization and increase in the amount of coal coked therefore will not solve the problem but may help a good deal, and incidentally solve the problem created by the smoke that is made in the ordinary combustion of bituminous coal.

There are a lot of other interesting possibilities, too, from other by-products of the process, and the chemists are talking of an unbreakable substitute for plate glass and unbreakable dishes made from the "condensation" products of the phenol by-products.

There are still other strings to the research man's bow, among them the making of hydrocarbons similar to petroleum by synthesis. The best known process is the Bergius and the Standard Oil of New Jersey has acquired the American rights to it. This converts 20 to 25 per cent of bituminous coal into tar and oils by heating a paste of pulverized coal and heavy oil or tar up to about 800 degrees Fahrenheit in an atmosphere of hydrogen under a pressure of 2,000 to 3,000 pounds per square inch, or about ten times the pressure in high pressure boilers. That sounds like a somewhat difficult thing to do, and it is, but we have successfully done so many difficult things in the past quarter century that nobody dares say it cannot be done on a commercial scale at a profit.

The plant at Leuna, Germany expected to be able to make 100,000,000 gallons of "Motor Spirit" in 1929; I haven't learned whether it succeeded. If it eventually becomes commercially profitable we could make all the gasoline we need in that way.

Methanol now is too high

ANOTHER possibility is synthetic methanol, the new dignified name for the drinker's enemy, wood alcohol, which got its name because it used to be made by distilling wood. Now it is made from coke and hydrogen. Georges Patart, at an international conference on coal, held at Pittsburgh, said it could be made here on a large scale for 20 cents per gallon, a ton of coke yielding 350 gallons. As methanol has less fuel value than gasoline, 20 cents per gallon for the former would correspond to 32 cents for the latter, and as Mr. Patart was talking about wholesale prices, which for gasoline are 8 to 9 cents per gallon at the refinery, it seems evident that we will have to wait awhile before we can use methanol as a motor fuel.

It would be tiresome to mention every

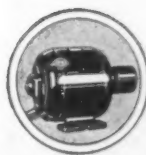
possibility the research man has thought of, but one more must be mentioned because it has been talked about a lot. That is oil from oil shale. Dr. White has estimated there is enough of this kind of shale in the United States to yield 40 billion barrels of a crude product, from which five billion barrels of gasoline can be obtained. But at present it takes a ton of shale to yield five gallons of gasoline.

Use of shale not likely

EVEN if the yield of gasoline could be increased to 30 gallons per ton of shale and the shale could be mined as cheaply as coal is now produced the mining cost alone would amount to about as much as the present refinery price of gasoline. The capital investment for building towns for the workers, providing a water supply, providing transportation and, above all, disposing of the spent shale (which to yield our present gasoline supply would amount to six times as much as all the coal we mine in a year) makes it seem that some of the other possibilities will come through ahead of the oil shale industry.

To sum up, the public is justified in not worrying about the motor fuel supply because behind the present abundant supply of high-quality gasoline there lie these possibilities. We can: Get more crude by drilling deeper wells, or finding oil where it is not now known. Get more oil out of the ground by better control of the gas-oil ratio, back-pressuring, flooding, perhaps eventually mining the sand, or finding out some way not now known. Get more gasoline out of the crude by cracking a larger proportion of it or by other possible improvements in the refining process. Get more power out of gasoline by using higher compression in engines or by unknown possible improvements. Make gasoline from something other than petroleum or substitute something else for it. Now we get only one-fourth of the crude out of the ground, make only 40 per cent of it into gasoline, and utilize only one-tenth of the energy of the gasoline.

Finally, it is not impossible that the motor car of some future generation may not use liquid fuel at all. Attempts to fit automobiles with little gas generators, have not, so far, been successful, but who will dare say it cannot be done? Before he comes forward let him remember the experts who, a few years ago, were convinced that a motor could not be built light enough to enable a man to fly through the air.



Making Good

IS A TRADITION WITH US

IN THE fifty years since the Robbins & Myers ideal of building everlasting goodness into machinery was first conceived, many of the most illustrious names in industry have become our good customers. Year after year they keep returning to us for sturdy motors to power their ever-growing workshops; for fool-proof motors to power myriad devices whose names are household words in the remotest corners of the earth. Some of them we have served for more than three decades, the sons like their fathers before them. Such unwavering allegiance is rare in these fiercely competitive times. It bespeaks confidence, slow and sure of growth like a mighty oak, flourishing increasingly as its roots sink deeper. That deep-rooted confidence, shared today by many men the world over, is the most significant testimonial to the time-defying efficiency of R & M products.

If you have a problem in electrical-motored machinery, come to Robbins & Myers. We offer you the facilities of a completely modern plant, and the experience of 32 years' precision manufacture in designing, building and applying electric motors, generators, fans, and electrical appliances

Robbins & Myers, Inc.

Springfield, Ohio

Brantford, Ontario

1878



1930

MOTORS, FANS, HAND AND ELECTRIC HOISTS AND CRANES

BUILDERS OF LINDBERGH'S



"SPIRIT OF ST. LOUIS"



The New RYAN FOURSOME

A ROOMY, LUXURIOUS 4-PLACE CABIN PLANE FOR THE EXECUTIVE

In the new Foursome, Ryan presents a de luxe 4-place cabin monoplane ideally designed for business use. Exceptionally roomy and luxuriously appointed, the new model C-1 offers executives the finest type of personal transportation—comfortable, fast and safe.

The cabin of the new Ryan Foursome is finished as artistically as the interior of a custom motor car. The automobile-type fittings, the rich upholstery and roomy seats—one of which is convertible into a lounge—provide a new degree of luxury in air travel.

Powered by a 225 Horsepower Wright Whirlwind Engine, the new Ryan Foursome has a top speed of 130 miles per hour and cruises at 110. With



The comfortable cabin of the Foursome reflects in every detail the new luxury Ryan has introduced to air travel

full load—1300 pounds—it has a cruising range of 625 miles.

For business trips the Foursome is big enough to carry the "crowd"—small enough to be operated economically. And the valuable time it saves in traveling makes it a dividend-paying investment.

Specifications and complete performance data on the new Ryan Foursome will gladly be sent upon request.

\$9,985

Flyaway, St. Louis

RYAN AIRCRAFT CORPORATION
LOCKHEED AIRCRAFT CORPORATION
PARKS AIR COLLEGE, INCORPORATED
PARKS AIRCRAFT CORPORATION
EASTMAN AIRCRAFT CORPORATION
AIRCRAFT DEVELOPMENT CORPORATION

DETROIT AIRCRAFT

UNION TRUST BUILDING, DETROIT

CHAMIN BLDG., NEW YORK - ROOSEVELT BLDG., LOS ANGELES

When writing to DETROIT AIRCRAFT please mention Nation's Business

BLACKBURN AIRCRAFT CORPORATION
MARINE AIRCRAFT CORPORATION
GROSSE ILE AIRPORT, INCORPORATED
GLIDERS, INCORPORATED
AIRCRAFT PARTS COMPANY, INCORPORATED
DETROIT AIRCRAFT EXPORT CORPORATION

Main Street Is Broadway Now

(Continued from page 42)

dividuality of the newspaper itself; but there is no doubt such syndication has done much to make the rural outposts world-minded.

My own observation and belief is that the fresh-water college has done more for Main Street than any other agency; that is to say, if giving Main Street a wider outlook and a greater knowledge of life's artificialities and idiosyncrasies is doing something for it. As soon as the boys and girls of any small-town community begin going away to college the manners and tastes of the community improve. Thereafter, its mental horizons widen in exact proportion to the number of boys and girls who seek a higher education.

No small town ever saw a sophomore from the State University, garbed in the sartorial embellishments prescribed by his school, leading a bulldog with one hand and carrying a ukelele in the other, alight from the four o'clock train at the close of the college year without being improved and enlivened by the spectacle.

Older generation is the same

WITH the small town, the rural neighborhoods adjacent to it have been remade, or are in the process of remaking. The older generation hasn't moved; it's about where it was. But the succeeding generations are coming along. When I visited Aunt Malinda and Uncle Adam in June, Aunt Malinda gave a family dinner for me and invited all of the children and grandchildren. Uncle Adam and Aunt Malinda are in their seventies. Uncle Adam is uneducated, but has native intelligence and certain irrefutable logic.

He is a good citizen and a good neighbor. Loosely interpreted, the same characterization fits Aunt Malinda.

But Uncle Adam hasn't moved a peg in 60 years. He is no more world-minded than when he and Aunt Malinda were married. He doesn't read and he is not in the least interested in affairs. His horizons are never more than a dozen miles distant. He holds to the notion, so deeply imbedded in many elderly rural minds, that money spent for ease and comfort is money wasted. Uncle Adam is well to do, but lives precisely as he always lived.

I asked him why he didn't put in electricity; an electric power line runs in

The president and sales manager agree this time

"This is a dandy letter to our trade. I hope it looks this good when it goes out."

"It will. We are using Hammermill Bond for the job."



**HAMMERMILL
BOND**

LOOK FOR THE WATERMARK
It is our word of honor to the public

No question about it, Hammermill Bond has the appearance, the feel, the quality, that give importance to the message it carries.

Add the fact that Hammermill Bond is always uniform, strong, enduring—and priced moderately—and you have the chief reasons why it is the accepted standard with all those who *know* bond paper values.

FOR EXECUTIVES:

HAMMERMILL PAPER COMPANY, ERIE, PA.

Gentlemen: Please send me the Working Kit of Hammermill Bond that is filled with specimen letterheads, samples of the paper in its thirteen colors and white, information and diagrams to help design forms, letterheads, envelopes to match. (Free to business executives anywhere in the United States. Outside of U. S. A. 50c.)

Name

Position

Attach This Coupon to Your Business Letterhead

Cork Insulated Roofs pay DIVIDENDS



9,600 sq. feet of Armstrong's Corkboard insulate the roof of the Denver Nat'l Bank Bldg., Denver, Colo. Architects, W. E. & A. A. Fisher; Contractor, Western Elaterite Roofing Co.

ADEQUATE insulation never defaults its dividends. Year after year you can rest assured that Armstrong's Corkboard is "making" money for you.

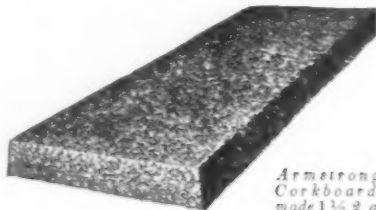
It materially reduces heating fuel cost. It increases comfort, particularly in rooms under the roof, so that top floors are more desirable and command a higher rental. It eliminates condensation and "ceiling sweat." Moisture and drip will no longer damage ceilings, spoil materials, nor rust machinery.

In winter most of the heat loss from your buildings is through the roof. Armstrong's Corkboard Insulation almost completely stops this waste.

In summer, the broiling sun, beating all day long on an uninsulated roof, makes the rooms beneath insufferably hot. Armstrong's Corkboard keeps this heat out. Under a cork-insulated roof, top-floor rooms and offices are always cooler.

Armstrong's Corkboard is made one-and-a-half, two, and three inches thick, which means adequate insulation in a single layer, a worthwhile saving in the labor cost of applying.

Your building, new or old, will be benefited by insulating the roof. Send for the book, "The Insulation of Roofs with Armstrong's Corkboard," and use our advisory service without any obligation. Armstrong Cork & Insulation Company, 903 Concord Street, Lancaster, Pennsylvania.



Armstrong's Corkboard is made 1½, 2, and 3 inches thick.

Armstrong's Corkboard Insulation

for the roofs of all buildings

When writing to ARMSTRONG CORK & INSULATION COMPANY please mention Nation's Business

front of his house. "I can't afford to spend money for every piece of foolishness that comes along," he said.

I advised him to junk the Ford car he's been driving since 1917.

"It looks terrible," I told him.

"It's good enough for me," he said as he went around to crank it up.

Uncle Adam and Aunt Malinda obeyed the scriptural injunction to multiply and replenish the earth. There are three sons and two daughters, all married and all living within five miles of the old homestead. The sons and daughters have also observed the scriptural injunction. After a little calculation, Aunt Malinda decided she had 19 grandchildren. Of this family, no member of the first or second generations has ever been away from the soil or farther than 200 miles from home.

In breadth and depth of mind, in taste and manners, the second generation is but a peg above the first. They are only a little better educated than were their father and mother. Their interests are a little wider, their grasp on affairs a trifle stronger.

They live a bit more comfortably and spend a little more money for entertainment and pleasure. But, on the whole, they fall definitely into Uncle Adam's class.

Up and coming youngsters

CONSIDERING their origin and environment, the third generation—the grandchildren—are amazing. They were as tastefully dressed and as well mannered a crowd of young people as I have seen anywhere. They know something of the little niceties of life.

Of the older girls, three are teaching. A fourth has already graduated from the rural schools, but is too young to get a certificate to teach. Three of the boys are in high school; virtually all of the others will go when the time comes. One of the girls who is teaching this year will go to college next. She will be the first member of Uncle Adam's family, or any of its branches for generations back, who has been to college.

Uncle Adam shakes his head when he discusses the matter. He takes a rather gloomy view of the younger generation's urge for education. He doesn't understand why the boys shouldn't be in the fields and the girls in dairy and kitchen. The new day hasn't dawned upon him and it never will.

But this is what has happened. Main Street has disappeared. The By-Heck rural neighborhood has gone, or is going.

HERE'S CLEAR SPARKLING WATER...

THAT'S NEVER TOO WARM
NEVER TOO COLD!

*A Frigidaire Water Cooler
keeps it just right... always*

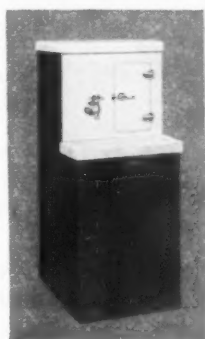
DRINK a glass of water drawn fresh from a Frigidaire Water Cooler. It's *different*. You'll like it. For it's cooled to temperatures that make water best to the taste and best for health.

And now you can have this kind of water in your office or factory... easily. Economically, too. For there are complete Frigidaire Water Coolers that plug into any convenient electric outlet. And they operate for just a few cents a day... keeping water cooled automatically, as fast as it's used.

In addition to supplying you with better water, Frigidaire Water Coolers save time, steps and trouble. They end ice bills and the waste of "letting water

run until it's cool." They provide a clean, healthful, efficient service that saves hundreds and thousands of dollars for individual users in the course of a year.

May we send you complete information? Mail the coupon now... today.



Note the special chilling and storage compartment. Here you can keep sandwiches, milk, beverages... cold and fresh until you are ready to use them.



FRIGIDAIRE WATER COOLERS

★ Frigidaire Water Cooling Equipment includes individual unit systems for either bottled or city water. Also equipment for use with existing bubblers or fountains. There are models for homes, offices, theaters, hotels, restaurants, clubs, hospitals and factories.

FRIGIDAIRE CORPORATION,
Subsidiary of General Motors Corporation,
Dept. P-51, Dayton, Ohio.

Please send me your new illustrated booklet on Frigidaire Water Coolers.

Name.....

Address.....

When writing to FRIGIDAIRE CORPORATION please mention Nation's Business

★ **THE RULE** of law is disappearing in England. A great bureaucracy is arising beyond the law. The situation is so dangerous that Lord Hewart of Bury, Lord Chief Justice of England, has written a book upon the issue. In this volume, "The New Despotism," he shows clearly the perils and absurdities resulting from uncontrolled authority

The New Despotism in Britain

By CHESTER M. WRIGHT

Editor, International Labor News Service, Washington

THE Mother of Parliaments has turned loose upon England a child which bids fair to make itself more powerful than its parent.

The situation, existing in a nation which prides itself on its democracy, the supremacy of its Parliament and the certainty of its law, cries a warning to the United States, that there may not spring up among us a monster of the same kind.

The rule of law is disappearing in England. A great bureaucracy is arising, not insidiously and artfully, but boldly and as if by right, until England faces and is well-nigh dominated by a new despotism, so formidable, so contrary to the tradition and the spirit of British political institutions, that the Right Honorable Lord Hewart of Bury, Lord Chief Justice of England, has written a book upon the issue.

The book called "The New Despotism" is written in the dispassionate language of an eminent jurist, but after all, the dignified words of the English language have force when properly arranged. The calmness, the poise, the dignity and the documentation of the book compel the attention and thought of those who care who rules.

Specifically and succinctly, the Lord Chief Justice, whose status as an authority cannot be impeached, declares that rule by bureau fiat is supplanting rule by law; that regulations having the force of law are being made faster than Parliament is making statute law; that a group of organized civil servants constitutes the dominating power of the country; that Parliament itself has

grown into the way of enacting laws which grant to ministers, and so to subordinates, the power to make regulations having the force of law and even to make rules that modify the very law itself.

Lord Hewart speaks from the record, quoting from scores of laws, from orders in council, from records of all kinds. A bureaucracy has grown up beyond the law.

No one raises objection

THE British courts have found no way to halt the parade of delegated powers even in the baldest of cases. The unwritten Constitution, it seems, has its drawbacks.

The civil servants, whose tenure cannot be touched, prepare a bill to extend their bureaucratic power, the minister offers it, it becomes a party measure; the whips go into action and in due time the minister reports to his chief clerk, in the language of the book, "Well, we got our clauses."

"Our clauses" permit the making of more departmental rulings which, because made in extension of or by authority of an act of Parliament, have the force of law. The law is the law and judges may gnash their teeth in righteous wrath but they cannot say, "This is unconstitutional."

It is true that, on certain regulations, an advisory committee must be consulted and, on certain others, the Secretary of State (a permanent official) must be consulted, while all regulations "shall be laid before both Houses of Parliament and either House may, within 28 days

present an address to his Majesty; but Lord Hewart's book shows conclusively the ineffectiveness of these safeguards against abuse of unusual authority. The book does not show a single instance in which either House has made an address against any of the long list of bureaucratic enactments.

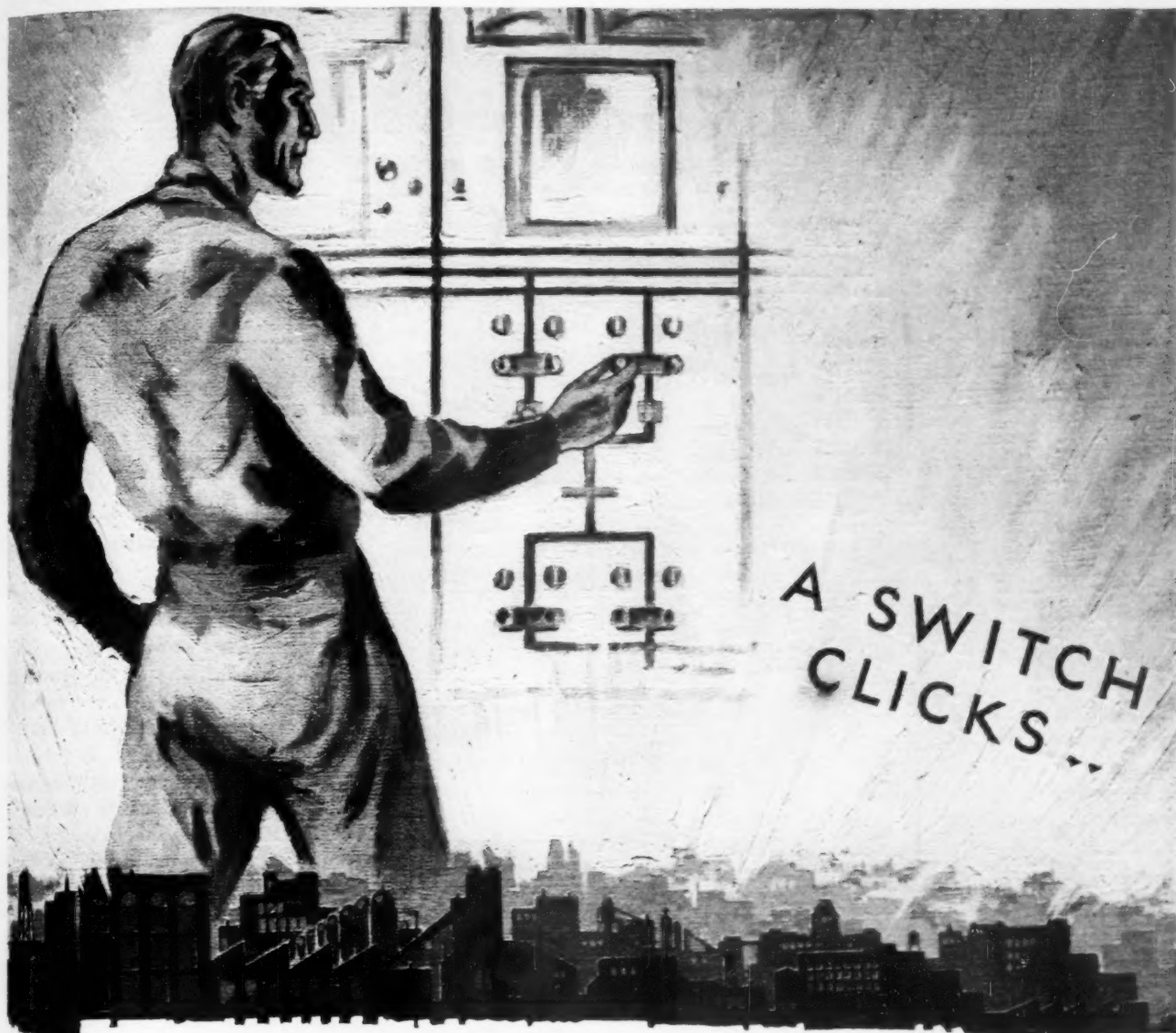
Persons enamored of bureaus would do well to read this book. Those who mistrust bureaus will find in its pages the weapons for which their hands have ached. It shows clearly that not only does power seek more power but that power tends to swell, willy-nilly.

Since Parliament deals with almost everything, the boards, bureaus and departments also deal with almost everything. Moreover, in many cases Parliament has no opportunity to approve rules made pursuant to legislation. The growth of this power began before the war and "assuredly has survived it."

Mass production of laws

"IN 1920, for example, the total output of officially registered rules and orders was 2,475. The figure for 1927 was 1,349. Does any human being read through this mass of departmental legislation? Is any human brain supposed to have mastered and retained its content? In 1927, Parliament passed 43 Public General Acts and it has been pointed out that 26 of these contemplate or authorize the making of Orders in Council, rules and regulations."

These figures show only the laws registered but vast numbers are unregistered and no man knows the extent of the evil. The author points out that the



and 1,253,000 Horsepower is Released to Industry

Climatic, labor, transportation, market and other factors give to Southern California very definite industrial advantages over other sections of the Pacific Coast and of all America.

But the one important factor that vitalizes all these advantages in behalf of industry is . . .

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With a total investment of more than \$320,000,000.00 in its generating and distributing system, the Southern California Edison Company serves an area of more than 55,000 square miles. Anywhere within

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Southern California Edison has been an important factor in the marvelous industrial growth of Los Angeles County. The opportunity for industry here was never so obvious nor so great as it is now.

Information regarding the opportunity in Los Angeles County for any specific industry will be sent upon request to Industrial Department, Los Angeles Chamber of Commerce.



SOUTHERN CALIFORNIA EDISON COMPANY... LOS ANGELES

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citizen is enmeshed in a labyrinth of these peculiarly made laws. He cannot know about them. He is "permitted to be ignorant" but he is punished if he transgresses. And these rulings affect the people intimately.

The Lord Chief Justice begins his book with a statement of a typical case. He says:

"Perhaps it may be well to offer at the outset a significant and recent example of the tendency which it is proposed to examine. On December 22, 1925, an Act of Parliament, entitled the 'Rating and Valuation Act' was added to the statute books. It is described as an act to simplify and amend the law with respect to the making and collection of rates, taxes. The marginal heading of Section 67 of the act consists, pleasantly enough, of the words 'power to remove difficulties,' and the section provides that if any difficulty arises in connection with the application of the act to any exceptional area, or the preparation of the first valuation list for any area, or otherwise in bringing into operation the provisions of this act, the Minister may by order remove the difficulty.

"More than that, the Minister may constitute any assessment committee, or declare any assessment committee to be duly constituted, or do any other thing, which appears to him necessary or expedient for obtaining the due preparation of the list or for bringing the provisions into operation. Finally, it is provided that any such order may modify the provisions of this Act so far as may appear to the Minister necessary or expedient for carrying the order into effect."

A bureaucratic despotism

THE Lord Chief Justice comments, "It would be difficult to imagine more comprehensive powers or more remarkable legislation." But it is legislation of this character that has fostered a bureaucratic power which the Lord Chief Justice believes sufficiently menacing to warrant its denomination as The New Despotism.

If the bureaus deal with taxes they deal likewise with traffic. The London Traffic Act of 1924 empowers the Minister of Transport to modify or suspend any act of Parliament dealing with the subject matter of the order made by the minister. Lord Hewart quotes the provisions of the Traffic Act at length. Among its amazing provisions are:

(2) Any regulations so made by the Minister may provide for the suspension or

modification so long as the regulations remain in force of any provisions of any acts (whether public general, or local or private) by-laws or regulations dealing with the same subject matter as the regulations made by the Minister, or of any acts conferring powers of making by-laws or regulations dealing with the same subject matter, as far as such provisions apply to any place or street to which the regulations made by the Minister apply.

(3) Any such regulations may provide for imposing fines recoverable summarily in respect to breaches thereof not exceeding in the case of a first offense 20 pounds or in the case of a second or a subsequent offense 50 pounds, together with, in the case of a continuing offense, a further fine not exceeding five pounds for each day the offense continues after notice of the offense has been given in such manner as may be prescribed by the regulations.

(6) The making of any regulations under this law shall be conclusive evidence that the requirements of this section have been complied with.

An amazing provision

SO remarkable is this last provision that the editor of the Annual Statutes of the British Parliament, from which the dates of these acts were obtained and which is on file in the Congressional Library in Washington, inserts a footnote in which he says, "The provision as to 'conclusive evidence' is unusual." That, for him, is saying a great deal.

The National Health Insurance Act which became law on the same day as the Traffic Act also gives the bureaucracy unique power to extend itself through bureau-made law. It provides:

(3) Any regulations made under any of the provisions of this act specified in the Fifth Schedule of this act, may contain such incidental supplemental and consequential provisions as appear necessary for modifying and adapting the provisions of this act to provisions of the regulations and otherwise for the purpose of the regulations.

That the power thus delegated may be observed as an indication of the sweep and scope of bureaucratic power, the section titles of the Fifth Schedule specified in Section 3 are here exhibited. They are, as set forth in the Act:

"Section 12 (6) Administration of medical treatment and attendance.

"Section 24 (7) Issue of certificates by medical practitioners.

"Section 37 (2) Dissolution of societies.

"Section 39 Amalgamation, transfer of engagements, (etc.) of societies.

"Section 40 (1) Secessions, expulsions

and establishment and dissolution of branches.

"Section 54 (2) Deposit contributors.

"Section 59 (2) Navy, Army and Air Force Insurance Fund.

"Section 66 (3) Credit of reserve values.

"Section 83 (1) Provisions of funds for insurance committees.

"Section 101 (2) Death certificates.

"Section 104 Persons of unsound mind."

These provisions are not more surprising than that curious line in an Act of 1923 which said:

"Copy of newspaper containing advertisement of appointment of fishery board shall be evidence of such appointment, and after three months from date of newspaper shall be conclusive evidence of the validity of all orders and proceedings relating to such appointment."

The dates on these acts indicate that bureaucratic growth is confined to no political party. It continued through successive Liberal and Conservative Governments and, although the legislation of the present Labor Government has not yet been put into the record, it continued through the first period of Labor Government.

Lord Hewart does not mention the Labor Government at all but he cites laws enacted by Parliament in 1924, the year Ramsay MacDonald first presided over the destinies of the British executive power. He came into power January 22 of that year and went out November 4. The Traffic Act and the National Health Insurance Act both became law August 7 of that year.

The book brings to light some amazing absurdities in the conduct of the bureaucracy of England. It is not surprising that there are absurdities, for extremism in government always begets absurd things.

The volume points out that the official who acts for the Minister of Health ruined two doctors who were partners by fining them 1,000 pounds on a charge of "overprescribing," which, the jurist informs us, is "an offense wholly unknown to the law." The power here exercised he calls "pure despotism."

How does such power come to be delegated? To quote:

Unwitting concessions

"IT is indeed sometimes suggested that these arbitrary powers are given by Parliament, which would not confer them in cases where it is considered that they are likely to be abused. But that is only theoretically true. In existing conditions the Cabinet, as representing the Government of the Day, is,

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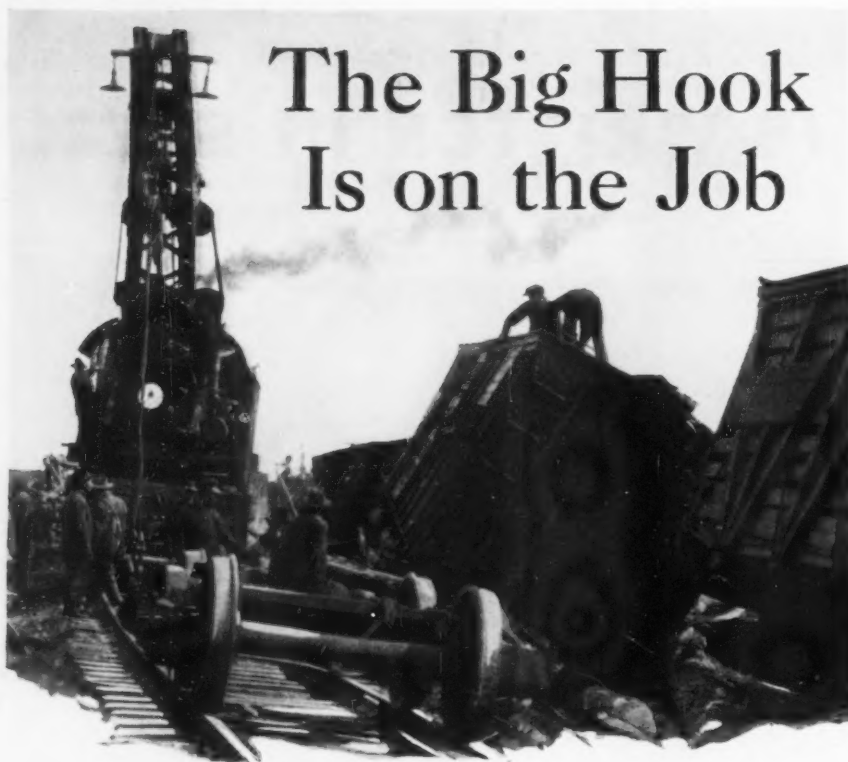


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The Big Hook Is on the Job

Railroad transportation is one of the outstanding reasons for this country's prosperity because the roads have learned how to move materials quickly and at low cost. Traffic must be kept moving and when an occasional tie-up occurs, it is only a short time before a "Big Hook" appears on the scene and straightens things out.

The railroads long ago found locomotive cranes to be an indispensable part of their work equipment and thousands of these machines are used by them for every kind of bucket, hook and magnet service. Few owners have the opportunity to know cranes as the railroads do and it is a significant fact that they use far more Industrial Brownhoists than any other make.

The leaders in practically every line of industry are using Industrial Brownhoists and will tell you that it is surprising how quickly one will pay for itself around the average plant or yard. Our factory trained representatives know the advantages of both crawler and eight-wheel locomotive cranes and can, without prejudice, recommend the right machine for your use because we build a complete line of each type.

Industrial Brownhoist Corporation, General Offices, Cleveland, Ohio

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Plants: Brownhoist Division, Cleveland, Ohio; Industrial Division, Bay City, Michigan;
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generally speaking, the real legislative power, Parliament merely confirming its proposals, and there can be little doubt that it is the officials in the Departments concerned who initiate the legislation by which the arbitrary powers are conferred upon them. When Parliament passes such legislation, it is probable that few of the members outside the ministry know what they are really doing. How much less do the people know what is being done in this respect by their representatives!"

The situation thus described leads straight to the evils portrayed in the book. The author offers an illustration. A protest against a ruling is heard by one set of subordinate officials. Another set of officials decides the case upon the record without having seen the witnesses or heard the testimony. The decision is final. The complainants do not know who has decided the case and they have no recourse in any event.

No opportunity for appeal

PERHAPS this is not the worst phase of the matter. In example after example it is shown that many of the orders permit of no protest at all. The courts are powerless, the individual is stopped in his tracks and disobedience can beget a punishment meted out by the same power that made the rule which has been transgressed.

"If it appears," says Lord Hewart, "that this system springs from and depends upon a deep-seated official conviction that this is the best and most scientific way of ruling the country, the consequences, unless they are checked, must be in the highest degree formidable."

"It is not merely that Parliament is being outmaneuvered," the Lord Chief Justice goes on, "or that the courts have been defied. It is that the whole scheme of self-government is being undermined in a way which no self-respecting people, if they were aware of the facts, would for a moment tolerate."

And further:

"The old despotism, which was defeated, offered Parliament a challenge. The new despotism, which is not yet defeated, gives Parliament an anaesthetic. The strategy is different, but the goal is the same. It is to subordinate Parliament, to evade the courts, and to render the will, or the caprice, of the executive unfettered and supreme."

The author points out, too, that the bureaucrats have so far advanced in their appetites that they aim to absorb the judiciary and bring judicial ap-

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People who strain their eyes in poor light are likely to have headaches, and to become restless and despondent, with a loss of efficiency. If lighting conditions in your establishment are defective, your employees work under a disadvantage at your expense.

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This desk never nags its owner

WORK lags badly if countless tiny irritations waste employees' energy all day long.

For instance, a sticking desk drawer is a little thing—but jerking it open and slamming it shut fifty times uses up a lot of effort.

And getting up to consult current records takes only a minute—yet each trip is a complete interruption.

There's none of this waste motion with Art Metal desks. Each one has filing space for current work . . . trays for card records . . . adjustable drawer compartments.

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This Art Metal "1500" desk has increased the efficiency of employees in hundreds of offices.

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Besides desks, Art Metal makes every other kind of modern office equipment . . . all of steel, all in beautiful olive green or wood-grain finishes.

We shall be glad to furnish information on equipment for any type of business. Or if you need more for your present office, just write us and we will forward a catalogue. Use list below.

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pointments within the dictation of the permanent officials, the civil servants who are the masters behind the ministers.

Much is said in the book about the expert as a ruler. The civil servants, the permanent officials, rate themselves as experts in their field. They have come, we are told, to look upon ministers as fleeting symbols across a scene wherein they themselves are fixtures.

A bureau chief in our own United States not long ago remarked to a protesting delegation, "Gentlemen, the Government knows best." That is constantly the attitude of the English permanent officials and they regard themselves as the Government, as this amazing book describes the situation.

It is no blanket exorcism of all men, or of all acts. It acknowledges, with the candor of culture, the integrity of the mass of civil servants and their devotion to their duties.

It assails a trend, a system, a growth that under cloak of the Constitution is destroying the Constitution, which, to the Briton as to the American, means liberty.

Better Mail Boxes

WOODEN likenesses of Uncle Sam, which support many mailboxes along the highways and byways of the country, are shortly to disappear. Their end has been decreed by Postmaster General Brown who has signed an order amending the postal laws and regulations to this effect.

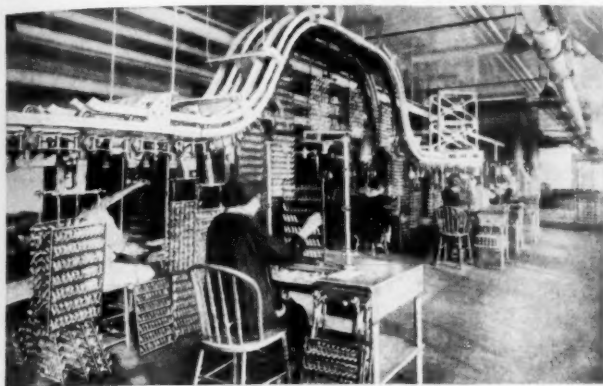
The Postoffice declares, "posts or other supports on which rural boxes are erected shall be of neat design and may be made of wood, metal or concrete of suitable strength and dimensions. They may be either round or square, plain or ornamental, with or without fixed or movable arm."

No standard box support is laid down by the Department. A requirement that supports be painted white, however, is believed to be desirable, if not absolutely necessary, in the interest of traffic safety.

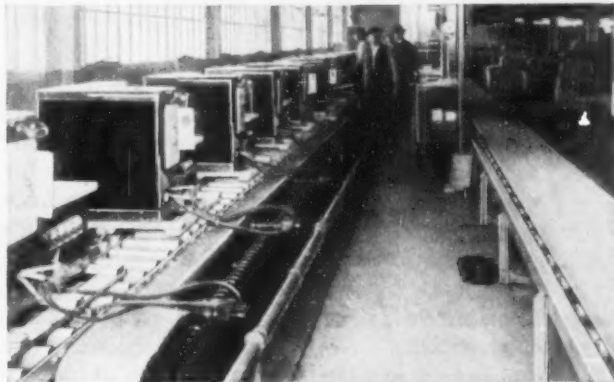
The interest of the Postoffice Department in more uniform designs and artistic arrangement of rural mail boxes had its inception in the campaign by road officials, under way in several states, to do away with unsightly objects along improved highways.

—JOHN L. COONTZ

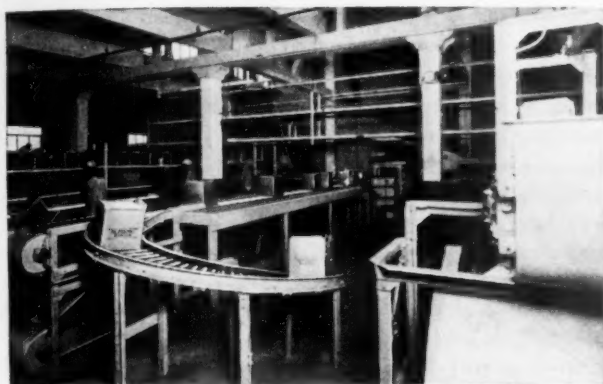
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TO-DAY'S competition is both the cause and the effect of better products, better organized selling structures, more efficient manufacturing methods. Research in every branch of industry is continually at work to improve the product itself, its manufacture, and its sale.

Of utmost importance to the manufacturer competing in the national or in the world market is low-cost, efficient manufacturing based on straight-line production. And efficient conveyors are the life streams of straight-line production. Lamson conveyors carry materials to men and machines in a steady, uniform flow and enable them continually to do their most

productive work. In short, Lamson conveyor systems bring materials into the plant, through it, and out to the loading platform in the least possible time and at the lowest possible cost.

Find out what conveyors will save you—without cost or obligation.

Lamson Engineers are thoroughly trained in the science of lowering production costs through the correct application of conveyors. Their analysis of your plant may reveal worth-while potential savings. This service will cost you nothing—simply write or wire the main office and a qualified engineer will call.

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"Knowledge that Pays Dividends." This valuable booklet is yours for the asking.

LAMSON CONVEYOR SYSTEMS

Retailing's Under the Microscope

By WILLIAM BOYD CRAIG

PLEASE find out for us just what sort of distribution is most economical. And include in your report the extent to which chains have stifled competition. Also determine how much of chain success is due to buying power and how much is due solely to ability of management.

"And if you find any monkey business has been going on in the mysterious process known as distribution, let us know. And anything else that's interesting about the whole business, we want to know, too."

Comprehensive survey launched

SO said the Senate to the Federal Trade Commission some months ago, and such agencies have to make more than a perfunctory gesture toward complying with legislators' yearnings for information, however whimsical such requests may be. Today—and tomorrow—the Commission is engaged in what may be a decidedly important economic survey as a result of the senatorial curiosity.

Admittedly there is a lot of the broad outdoors included in that resolution (224). It is as if the Senate had said, "Go out and find out what distribution is all about."

The idea was conceived by Senator Brookhart, who holds a very definite brief for cooperative endeavor along many lines. The English cooperatives are his ideals, and have been ever since he talked with the Rochdale Society officials. He admits that he has devoted his life to fighting the vested interests, even in retailing. The Senator wants to have all the important details of American distribution down on paper where it may be more easily compared with its socialized Anglican cousin.

However, not enough money was granted to carry the investigation to a definite, ultimate conclusion. The able economists in charge of the survey mapped out their study on a grand scale. Since comparisons of whole systems of distribution could be made only on a basis of costs, they went at the job on that basis, including enough specific

items to make the results significant. Four comprehensive questionnaires were drawn up—one for the independent retailers, the chains, voluntary chains and wholesalers. Only the able retailer will be able to answer all the questions the Commission is asking him. However, many concerns should be able to answer each question and thus an adequate volume of data should be procured. Perhaps unconsciously the surveyors complimented the chains by making their questionnaire the largest and most complete of the four.

The investigators are collecting the information now and will be for some time to come. The tabulated returns are arriving in the Commission's offices in one of the temporary buildings in Washington. They will gather dust until the staff has finished the collection and can take time for tabulation, for the staff is so small that tabulations cannot be made until all the data are collected.

No one will accuse the Commission of making a half-hearted attempt to get the facts. Business men may doubt the possibility of ultimate success, but they must admit that the surveyors are giving the problem both barrels. Perhaps they may not bring down anything worth the hunting. Perhaps the public at large and the retail world in particular may be affected but little when all is written and reported.

Important results may follow

AND again, the survey may cause the most important upheaval yet seen in merchandising. As a result of the findings there is at least the possibility of state and national laws and regulations galore.

Legislators generally are lying low and keeping their ears to the ground in the distribution field. The less thoughtful politicians are inclined to favor independent merchandising all along the line. A sort of economic fundamentalism is sweeping the country, and those who depend on the votes of majorities for a livelihood are extremely interested in the size of the wave. A few state and national legislators have definitely committed themselves to the antichain

cause, but for the most part the movement is still in the vote-counting stage as far as politicians are concerned. To date the chains have adopted few defensive measures.

Cooperation from the merchants interviewed has been surprisingly good so far, according to members of the investigating body. One chain objected to a particular request for information on shrinkage, on the ground that it was impossible to ascertain. This organization was surprised to learn that another similar chain had worked out the desired figure to a tenth of one per cent. It had not occurred to the first chain that another might be more efficient at merchandising than it was.

Numerous items are covered

THE survey will be carried forward as time and money permit in selected cities. Grocery stores are being covered for more than 400 items; drug stores are being asked to report on more than 700 items; and tobacco stores more than 100. Two questions in which the investigators are particularly interested are quantity discounts and private *versus* nationally advertised brands. Advertising men and manufacturers will also be interested in the ultimate findings.

On the whole, the present situation is one of the most interesting on the economic horizon. In the investigation is at least the implication that economic considerations should begin with the consumer rather than with the producer. When demand could be taken for granted, supply was all that needed to be taken into account. However, demand is getting most of the attention today, for which the humble consumer may be thankful.

In asking the Commission to find out which of the distributive agencies is most necessary, the Senate really started something. Perhaps the Senate will not get the answer it wanted, or expected. Whatever happens, the inquiry will require some time. Perhaps it will end, after all, as just another investigation. And yet, the whole thing may have surprising results for consumers, distributors, and manufacturers.

TO FIRMS THAT CONFUSE *LOW-PRICED* CARS WITH *ECONOMICAL* CARS

A CAR can be low in price—yet be far from economical. For the thing that makes a car economical is not its first cost but the number of miles it delivers per dollar invested.

On this basis, many low-priced cars are far from economical. Most people drive such cars only 10,000 or 15,000 miles before trading them in. For a salesman, that's only about one year's mileage.

When you trade in your car each year, you take the heavy first-year depreciation loss any car suffers. Even on a low-priced car, that loss will be \$400—or more. And that's a yearly loss.

COMPARE THAT WITH REO!

Compare that with the practice of the average Reo owner. He drives his car three years, four years, or longer—from 50,000 to 100,000 miles. He has no reason to turn in his Reo each year. No, sir! At the end of three years it is still running sweetly—more sweetly than most lower-priced cars do after the first few months. And it hasn't been outmoded by a radically different model.

Reo is good—really good—for 100,000 miles. For convincing proof of Reo's long life, look up the independent investigation made a few years back. Based on government registrations, it showed that Reo outlasted all other cars of American

origin and manufacture—regardless of price. And since then, Reo has incorporated in the Flying Cloud important features that make it last even longer.

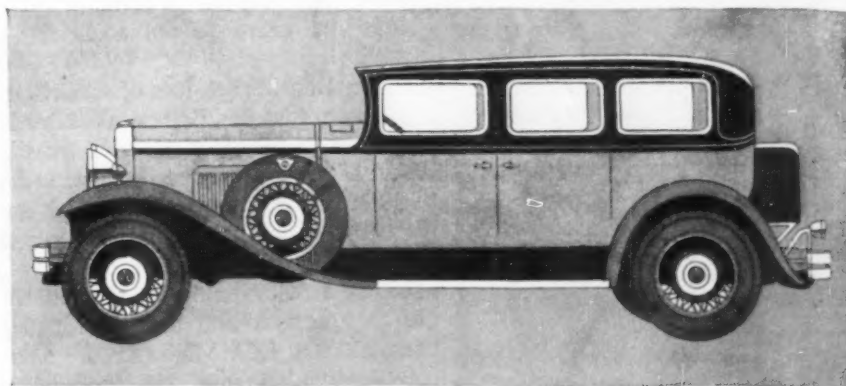
Give your men Reos and they'll get anywhere from three to five years' service from them. Over that period, Reo costs less than low-priced cars that have to be traded in each year at a depreciation loss of \$400 or more.

MORE MILES—MORE CALLS

And on top of that, Reos will enable your men to cover more ground—with less fatigue. For your men can travel at higher sustained speeds on the open road with a Reo

than with any smaller, lighter car. Moreover, Reo is easy to ride in and easy to handle—smooth and restful even at high speeds. You can't expect a man to do his best selling when he's tired, physically and nervously, from driving. Reos will help your men to make more calls—and to be in keener selling form for the last couple of calls of the day.

Look into Reo's far longer life—its marvelous performance—its economy. Let your Reo dealer give you a demonstration. Let him show you facts and figures that prove that Reo is the ideal car—both from the salesman's standpoint and your own. Call up your Reo dealer today.



The REO FLYING CLOUD... MODEL 25... SPORT SEDAN... EQUIPPED WITH REO SILENT-SECOND TRANSMISSION.

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REO **FLYING CLOUD**
GOOD for 100,000 miles
REO MOTOR CAR COMPANY, Lansing, Michigan

A \$30,000 cup of coffee



In a certain city, there was a restaurant nicknamed "The Watchmen's Club". Every night a group of watchmen gathered there to drink coffee and chat. The employers never heard of "The Watchmen's Club". They thought their watchmen were attending to duty. Until, one night, a fire broke out. \$30,000 damage was done before it was extinguished.

Don't GUESS about your watchmen. A Detex Watchclock System will show you whether he stayed on the job all night or not. When your watchman carries a Detex, he WILL stay on the job, for he knows that any negligence will be recorded on the dial.

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The New Sales Manual Didn't Cover Revolutions

(Continued from page 35)

selling and I wanted him out of the way.

Luiz has a little shop. If he likes you, you can buy nearly anything in the world from him, including silence. Ygnacio was waiting for me.

"The Señor Gonzales," he said, "is under guard somewhere about his home, with his family. It is since day before yesterday. There are rumors that he is to be executed or exiled."

I sat down and thought. Long ago, Arturo Gonzales had put me on the same basis as any Estrellan that he'd been born and brought up with. When I called, he would run out of his office and throw his arms around me, not from Latin enthusiasm but because he was glad to see me. Whenever it was possible, he would give up a night's sleep to make a side trip and visit me and I'd do the same to visit him. We loved to find trinkets for each other and shoot them in as surprise gifts.

Captured by Sovietistos

NOW, Arturo was held prisoner in his own home. And that wasn't all. Luisa was with him, God help her. And little 17 year old Rosa. And 14 year old Juan. I knew them; they all had pet names for me. If anything happened to Arturo, worse would happen to them.

"Is the guard federal soldiers?" I asked.

"No, Don Miguel, it is of *sovietistos*. One hears that this Barros calls himself an agent of the great soviet of Russia. But one hears too that he rode with the bandit Topilla and that most of the worker's *sovieta* that he has organized are Poco herders from the mountains. He has a following among the soldiers of the garrison and has assassinated several men, Don Miguel."

"Ygnacio," I said, "we can't leave Arturo and his family in the power of a mountaineer Bolshevik."

"Of course not, Don Miguel, but it will be useless to appeal to law. Some of the officials here are afraid of Barros. He shares with the others."

I understood that, of course.

"And," I said to myself, "I can't appeal to the president at Estrella City because Obispo is just a little too far away from the capital for anyone there to give a hang about it."

"Sometimes," said Ygnacio, "bribery will accomplish much. But Barros is reported to be quite a rich *sovietisto* now. He has made profitable confiscations."

Don't laugh at the idea of a rich Bolshevik, MacDonald; not in a country like Estrella.

"No, Ygnacio," I said, "nothing we could offer would tempt him. And he's probably got everything that Arturo owns, except what is nailed down."

An Irishman in disguise

SO FAR as I could see, there was nothing to do but get more facts. I called Luiz and bought a sombrero and a *serape*, which is a sort of blanket with a hole in it.

Your head goes through the hole and it hangs from the shoulders. I also got some old tan shoes and a ragged shirt and pants. When I put the outfit on, being small with a dark complexion, I looked like Ygnacio's brother—or his cousin, anyhow. I come of a gifted race, Mr. MacDonald. We Irish are naturally good actors.

I bought a pistol to complete my outfit but I didn't get one for Ygnacio. That's one thing you can't afford to do with him. Put a weapon in Ygnacio's hand and right away he wants to kill somebody. He can hardly wait. Without one, he's an ingenious, dependable man, but with one he's a small insurrection.

We left Luiz's and went shuffling along through the dust of the old part of town to the market, where I bought two bundles of firewood.

The commonest thing in Estrella is to see one or two what you might call peons going somewhere with bundles of wood. As a general thing, they are either doing that or they are out on the edge of town, gathering twigs with which to make a bundle.

A business call by Arturo's

WE CARRIED our wood out to the Calle de la Reforma to Arturo's place. We went right up to his door. Now, MacDonald, a house down here is built on the general principle of a stockade. If it has grounds or a garden, an eight-foot wall goes clear around them. The house itself stands right on the street

line and every window in front has iron bars to protect it.

The only entrance is through a big wooden door, with a little door cut in it, like the doors you may have on your garage. They lead into a passage that resembles the areaways under old-fashioned houses. The passage is called the *zaguán*. It takes you into the patio, which can be U-shaped, L-shaped or square. Arturo's is U-shaped with just a wall and a few little outbuildings along the open end.

In the day time, the big door to the *zaguán* is usually open and a porter is loafing around somewhere, on watch. Arturo's was closed tight. I knocked and pretty soon a hard-boiled Indian face was poked through the little door.

"Fuel for the Señor Gonzales," I said, trying to shoulder in.

"Get out of here," said the Poco, giving me a shove.

It was up to me to act stupid and surprised.

"The Señor Gonzales told us to bring him wood every two weeks."

The man frowned over this but finally shrugged his shoulders and stood back. The *sovietistas* were not skating on such firm ice that it was worth while to make a scene over a trifle.

"Bring in your wood," he said, "but there is no one here to pay you."

Making themselves at home

I LED the way through the *zaguán* and went straight across to a little shed at the rear of the patio and threw the wood in there. Then I turned. It made my blood boil to see five wooden-faced mountaineers on the rear galleries and steps of the house, sprawling around in Arturo's clothes and smoking his cigars. The windows were all open and the place was absolutely quiet.

The door man was following us around.

"Will no one pay?" I asked. "It is only a few centavos and we are poor men. The señor will gladly reimburse any blessed one who pays us."

I called it out loud, hoping that Arturo might hear my voice. If he did, I was sure he would come to a window. Then I would know where he was imprisoned and he would know I was trying to help him.

"Shut up," growled the door tender, while the boys on the gallery all jumped up, looking for an excuse to do murder. There was no sign of Arturo.

"Oh, Señores, please some one of you pay for the wood?" I yelled.

But the door in the *zaguán* slammed and Fernando Barros walked into the

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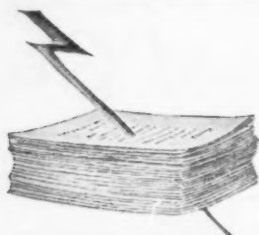
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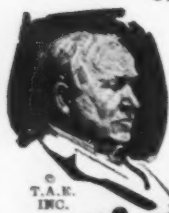
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patio. He glared at us and asked who we were. I started to ask for pay again and Fernando flashed up like a skyrocket.

"Throw them out," he said, or Spanish words to that effect.

I must say one thing for him. He had taught his men to carry out his orders thoroughly. I lit on my shoulder blades on the hard cobble stones of the Reforma.

Ygnacio landed just before I did. He was dazed but I helped him up and ran him down the street. As soon as he got hold of himself, he begged to borrow the pistol so he could go back and shoot somebody. The only satisfaction I had was in knowing I had been wise not to give him one. It helped, too, to realize I was a pretty fair actor. Barros hadn't recognized me.

The governor sits tight

I CHANGED clothes at Luiz's place and went over to the statehouse to see a little fellow called Juan Perez, on the governor's staff. I only knew him slightly and, just as I expected, he got uneasy when I mentioned the name of Gonzales.

"There is nothing to be done," he said quickly. "His Excellency can do nothing for Gonzales."

"Now, about this man Barros," I said, "where does he stand?"

Perez got absolutely white. The poor devil was only a clerk.

"Barros?" he stammered. "I can say nothing, nothing at all. For us he does not exist. Please do not—"

"Can't the governor control him?" I asked. "If I reached the governor and showed him it was necessary, couldn't he—"

"¡Por l'amor d' Dios!" shivered Perez. "Do not try. It is not safe. It would be bad for you."

You can understand, MacDonald. It was a good deal like going to the city hall in a bootleg town and asking if the mayor couldn't do something to Scarface Tony or somebody really important like that.

Across the roofs at midnight

THAT night, at about 11, Ygnacio and I bribed our way onto the roof of a house on the Reforma. The dwellings in that block presented a solid front to the street and the roofs made a regular promenade, except for four foot walls separating them. We got to Arturo's without difficulty.

Ygnacio held a rope, bracing his feet against the railing, while I climbed

down on the patio side. I got on the window sill of Arturo's room.

"Arturo!" I whispered. "Arturo!"

I held my pistol ready for, of course, I didn't know what I was getting into. "¡Sí! ¡Sí! ¿Qué es?" came a whisper from inside and I breathed a word of thanks.

"It's me, Michael Malone," I said. "I'm coming in."

"Sí, sí," was the answer, still in a whisper.

I was fooled. I was so anxious for it to be Arturo that I assumed it was. An Indian, I thought, would raise a yell or shoot at me but the fellow in Arturo's room was crafty and humorous. I let go of the rope and started in.

"Sh!" he warned.

Into the hands of the enemy

THEN I realized it wasn't Arturo. I tried to twist and grapple him but he just laughed at his little joke and made a run and shoved me into the patio. It will be a long time before I forget about that. I had a second or so to fall in and a lot to think of on the way down but I covered everything. I was sure I had hopelessly gummed the works. Now, Barros' men would be extra watchful. Ygnacio was the only hope that remained for me or Arturo or the family and he was up on the roof, alone and without weapons.

I tell you, I had an awful moment.

I think my feet struck a palm tree. That broke the fall and saved most of my bones but it up-ended me and insured a knockout—as much of a knockout as a man can get when he is desperate. At any rate, I lived through a period when I knew I was helpless and that I hurt all over. At the same time, I knew Indians were gathering around me with candles and lanterns. They were kicking me and laughing. Finally, I was picked up and tossed into a dark little room.

I came to and found a man leaning over me, with a match blazing in his hands. It was Arturo.

Luisa and the children were with him and it was ridiculous the way they went on after Arturo recognized me. You'd have thought we were all in the living room, holding a reunion, instead of in a pitch dark cubby hole on the ground floor, a sort of store room. Arturo and the family had been locked in there two days.

I found by experimenting that my left wrist was sprained or broken and, if difficult breathing was any symptom, a few ribs were broken, too.

(To Be Concluded)



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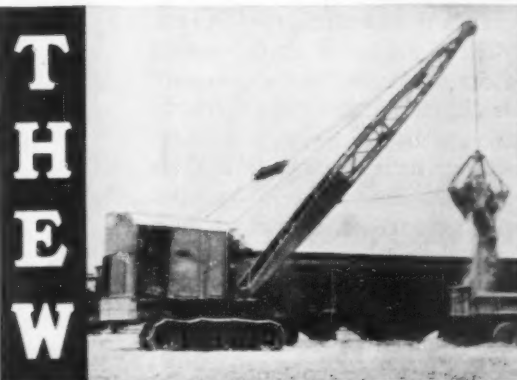


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Part of St. Augustine's shrimp fleet, with the great gray nets hoisted to the mastheads

The Business Behind Shrimp Salads

By GRACE McKINSTRY

THE SHRIMP, as most of us know him, is a toothsome and charmingly pink tidbit, served up on a succulent green lettuce leaf and decorated with yellow mayonnaise.

But he is more than that to a lot of people along the Lower Atlantic Coast, whence comes most of his kind to the markets of New York, Philadelphia, Chicago and a hundred other cities. He is the chief means of support to many Floridians and Georgians, the basis of thriving businesses, and the quarry that sends hundreds of brightly painted boats out to sweep the ocean bottom with eighty-foot nets.

The shrimp, as he leaves Nature's laboratory on the first step toward his ultimate fate of boiled pinkishness and lettuce leaves, is a queer-looking, hump-backed little creature. His long head is equipped with long feelers, and is set on a body delicately transparent, of a greenish-gray hue and with spots of brown. He's an agile little fellow, too, with a strong, fan-like tail that enables him to bury himself in the ocean bottom when frightened.



The fresh-caught shrimp are beheaded at the wharf



FOR all his modest size, the shrimp is the basis of a thriving industry, one that owes its development largely to the application of mass-production methods. But here is one industry, at least, that has lost none of its picturesqueness as the result of the change to newer ways

But all his agility and burrowing propensities are of little avail when those great nets come scraping and dragging all over the sandy ocean floor that he frequents. For two hours or more at a stretch those nets are swept back and forth by the boats above, finally to be dragged in by their Portuguese, Greek, Italian or Scandinavian owners—shrimp fishermen are practically all Europeans—and their heterogeneous contents sorted. Sea scrap is promptly tossed overboard; fish, whiting or whatever they may be, are laid out on deck, and the shrimp are dumped down the hatch.

Then at late afternoon, with everything shipshape, and the big gray nets dangling

Insurance policies must be fitted to your needs

Most property insurance policies are fundamentally the same in form and coverage. First, because these accepted policies have proved economically sound; second, because *even to the insertion of punctuation* they are set by law in most states.

But any insurance policy must be "fitted" to your particular needs. Given the basic contract, your agent must then adapt it to cover exactly the property you want to protect.

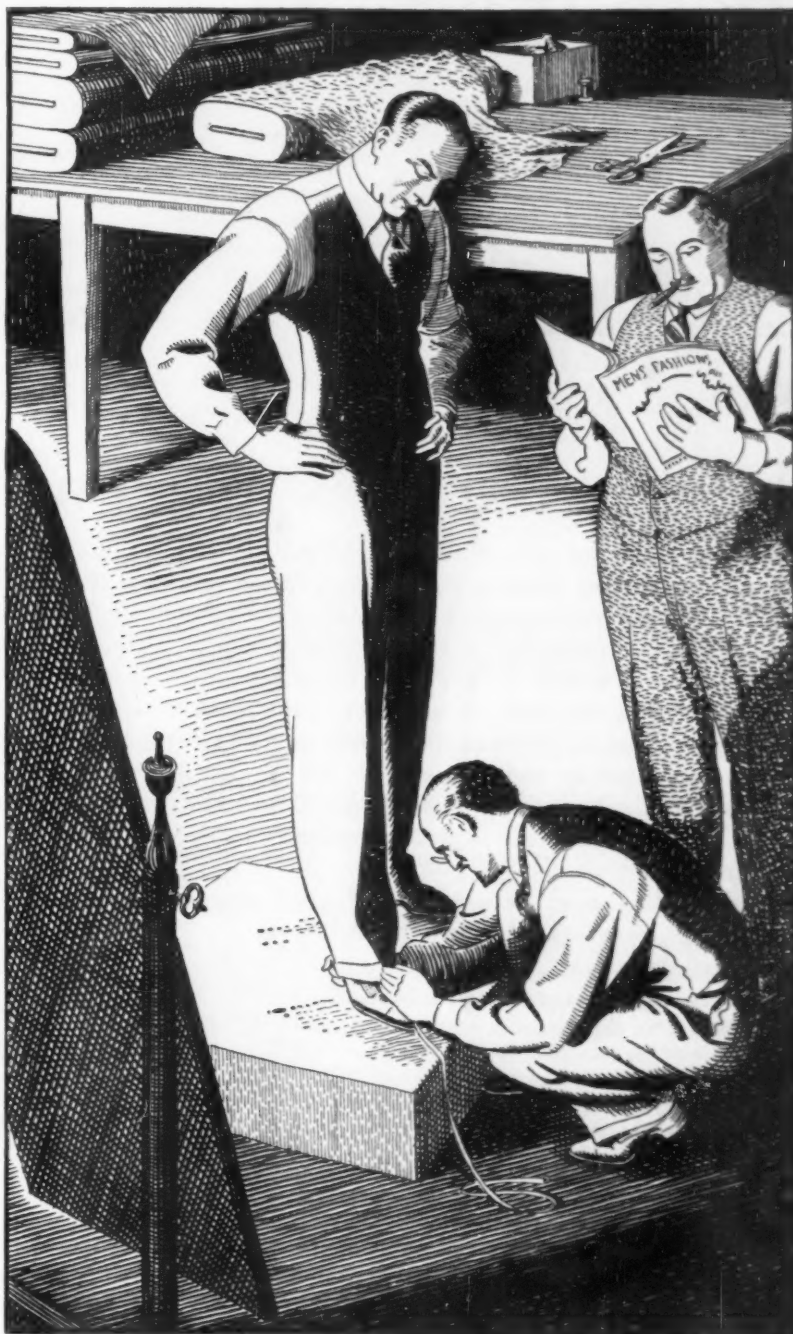
In his field, the insurance agent is as necessary as your doctor or lawyer. His work is important—worthy of your confidence; his service invaluable. He has been trained to safeguard your interests.

Consider the problems that face him. What percentage of your property value should be covered? What is necessary because of the type of property? Where is it? Are there other policies covering the same property? If so, do they all conform exactly in description? These and other questions must be answered in detail before any policy can be properly drawn.

You yourself, should check this information and read your policies to know exactly what you are getting. However, if it is impossible to do it personally, an Agricultural agent in your community will be glad to assist.

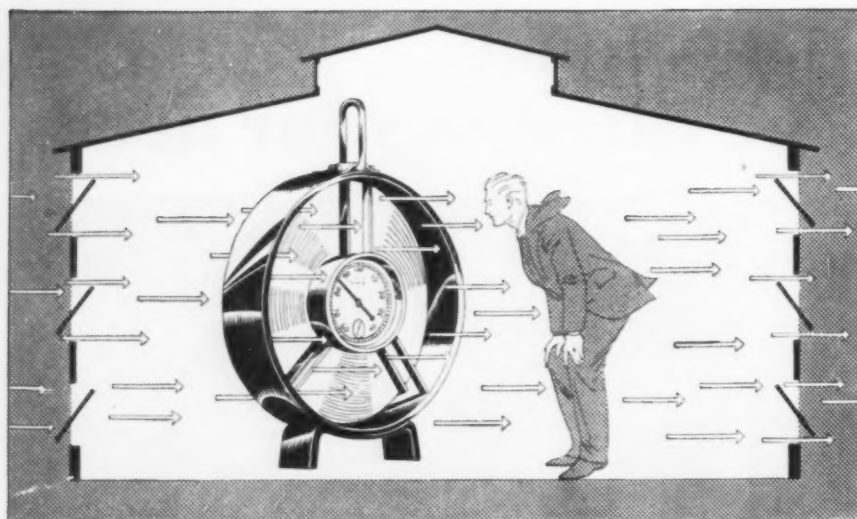
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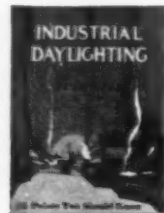


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gracefully from the rigging, the blue, green, and terra-cotta hued boats turn their prows back toward the San Sebastian River or Matanzas Bay—if they hail from the ancient port of St. Augustine, as so many of them do.

All is hurry and scurry as the boats draw up to the packing-house pier. Pedro, the shrimp fisherman, opens the hatch, and Salvatore, his partner, seizes a perforated shovel and scoops the shrimp into big baskets. These are quickly hoisted to the pier, where the packer's men weigh them, jot down the poundage, and figure the catch. The fish on the deck are transferred to another shed for packing.

Now comes more bustling about. Shrimps by the bushels are thrown on to long tables and negro men and women, boys and girls, who have been waiting around for the past half hour, rush up, swinging big buckets, to behead the shrimp. They are paid 15 cents a bucketful for their work—and they behead shrimp faster than Henry VIII beheaded wives.

Packed in gum barrels

THE brown fingers fly, the pails are filled in no time at all, the negroes pass before the paymaster with his ready coins, then empty their buckets into the washing pans. The shrimp are quickly drained from the chilled water, poured into the big scale-pan for reweighing, and then put into barrels with alternate layers of ice. Next the gum barrels are topped with burlap and are ready to be rolled into freight cars for the long trip to northern markets. But many of the small travelers bid their homeland merely a temporary adieu, for it is said that some of the big Palm Beach hotels send up to New York's Fulton Market for all their shrimp!

But the catch of shrimp off St. Augustine, Fernandina, New Smyrna, Ft. Pierce, and other towns as far north as Southport, N. C., hasn't always been as plentiful as it is today. Prior to about the year 1912 every one had supposed that shrimping should be done only in shallow places—rivers, gulfs, and bays.

Then Capt. Billy Corkum came down from Gloucester, Mass., where they know all about every sort of deep-sea fishing, even though they haven't any shrimp there. He advised the Florida shrimpers to use big nets and to go out to sea and "trawl." He tried it, and they tried it—with amazing results. They dragged up such incredible numbers of shrimp three or four miles off shore that their boats could hardly hold them. A veritable stampede to share in the rich

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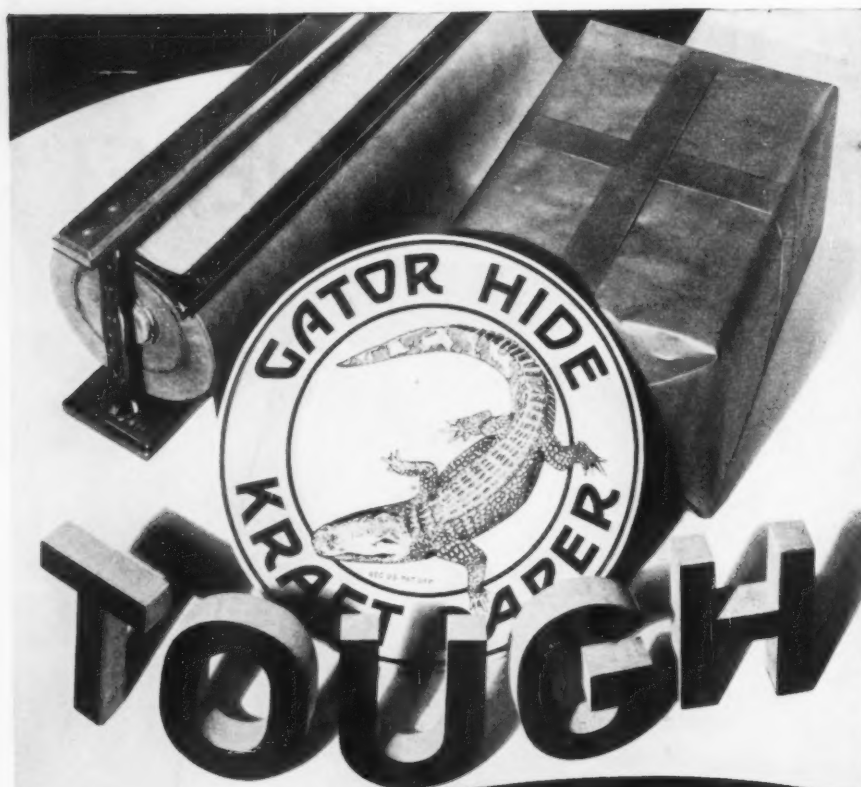
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harvest ensued. "Why, it was like the California gold rush," reminisced one of St. Augustine's prominent packers. "Such ridiculous, makeshift craft as went out! You wouldn't send a dog out in such boats today. Still, even today our boats are not what they should be; we must make many more improvements before they are just right. How soon such things get out of date!"

But even though the present-day shrimp boats are imperfect they are by no means inexpensive. From four to eight thousand dollars goes into the building and equipping of one of these boats. It is only natural therefore that the packing companies should own the bulk of them, although individuals who can finance their building find them good investments.

The boats and their huge nets bring in shrimp in such quantities that the revenues run into real money. Four cents a pound is the price paid at the pier for shrimp brought in by privately-owned boats, while crews of the company-owned craft receive two cents a pound. In the case of the privately-owned boats, the owners of course must stock, ice, gas, and equip their boats themselves, which accounts for the difference in prices.

A fleet of some 200 boats operates out of St. Augustine, each carrying a crew of three men. Thus the industry supports some 600 fishermen, each of whom earns something like \$75 a week during the season, which extends from about the middle of November to the last of May.

The shrimp's many retainers

BUT the shrimp by no means stops here in his bounteous, though unwilling, production of profits. There are fully a thousand negro pickers employed on the piers and they each earn perhaps \$15 or \$20 a week through their beheading labors. A hundred or so negro laborers, earning \$18 to \$20 a week, are also employed about the piers, while a number of Greek and Portuguese net-makers are kept busy making or repairing the great nets. These bring their makers from \$60 to \$75 apiece when new, and an expert craftsman can turn out a finished net a day.

Vast quantities of ice, gasoline, barrels and other supplies that are necessary add to the number of people that are kept busy, bringing the total of St. Augustinians connected with the industry to around 1,800.

Seventeen shrimp-packing concerns operate within St. Augustine alone, and with the average good price—\$20 to

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When transmission "goes under the microscope"

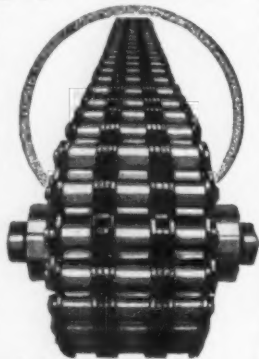
SOONER or later, in every plant, trouble causes transmission to be brought up for re-examination, study, testing... and, if possible, correcting. Usually the trouble is found to be the same—friction... responsible for power losses, delayed production, scrapped equipment, repairs.

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\$25 a barrel (125 pounds)—they make worth-while profits. Twelve to 14 cents a pound are the prevailing wholesale prices, although they have soared at times to as high as 75 cents. When the season is at its height a single firm will ship as many as eight to ten car loads a week. One packer, whose business is a typical one, admits gross sales of \$50,000 to \$75,000 a year.

One of the more recently developed phases of the industry is the canning of the shrimp in tin or glass containers. This is also carried on in St. Augustine and has added new workers to the pay rolls. There are deft-fingered colored folk who "peel" the shrimp, for in-

stance, a harder and better-paid task than merely "picking" or beheading. There are white-capped girls who pack the cooked shrimp-crescents, or attend to other finishing touches; there are men skilled in all the processes between.

Thus the lowly shrimp helps to bring prosperity to St. Augustine. Unlike many industries, this is one that attracts rather than repels the many tourists who visit the ancient city. The visitors find the gaily colored shrimp boats, the Greek net menders, the light-hearted negro workers and the flashing harbor waters irresistibly attractive, as picturesque and charming as any Old World waterfront.

The Grocery Business Has Changed

By W. L. LIGHTFOOT

Managing Editor, Food Chain Store Merchandising

THE grocery business isn't what it used to be. Mrs. Consumer today is insisting that her favorite grocery, whether an independent or a chain unit, stock meats of all sorts as well as groceries.

A recent survey shows that there is just one reason why meat shops are being added to grocery stores—and that is that Mrs. Consumer does not want to travel from one store to another in order to fill her larder. She is letting it be known that combination stores, handling both groceries and meats, are the ones she prefers.

Up to a few years ago, few meat shops were operated as integral parts of chain grocery stores. But Mrs. Consumer has been so insistent on having the combination stores that a great reconstruction is taking place.

It is estimated that the Great Atlantic and Pacific Tea Company operates combination stores to the extent of 20 per cent of its total number of units. Other large chains are adding numerous meat shops, the percentage of such combination stores for 11 of the leading organizations this year being 26.22 per cent, as compared with 15.47 per cent just a year ago. The number of these chains' combination stores increased 128.15 per cent during the year.

My survey of the industry shows that the larger chains are making the change faster than the smaller ones. This is significant, because these larger

chain organizations keep in closer touch with the situation than the smaller ones.

Their operations are on a larger scale than the others. Small chains, with from 50 to 100 stores, generally operate in communities easily accessible by truck from a central warehouse.

But the survey proves that the smaller chains are not asleep to the change. Twenty-four of these, operating from 26 to 100 stores, a year ago had combination stores to the extent of 31.7 per cent of their total number of outlets. In a year's time this has grown to 34.07 per cent.

Combination stores among a group of 86 chains on January 1, 1930 amounted to 61.72 per cent of their total number of stores. The figure a year previously was 60 per cent.

Roughly, there are 10,000 combination stores in the country today. Food-chain companies answering the survey questionnaire numbered their combination stores at 3,012.

These companies on January 1, 1930, operated a total of 9,624 stores. Of this total, the combination stores numbered, as stated, 3,012, or 31.3 per cent of the total. A year ago the figure was 23.19 per cent.

For all of the chains included in the survey, it was shown that the growth of combination stores was 4.3 times faster than the growth of stores selling only groceries.

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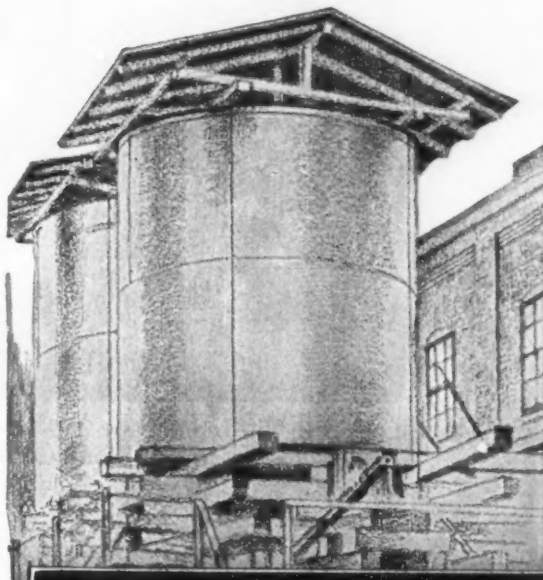
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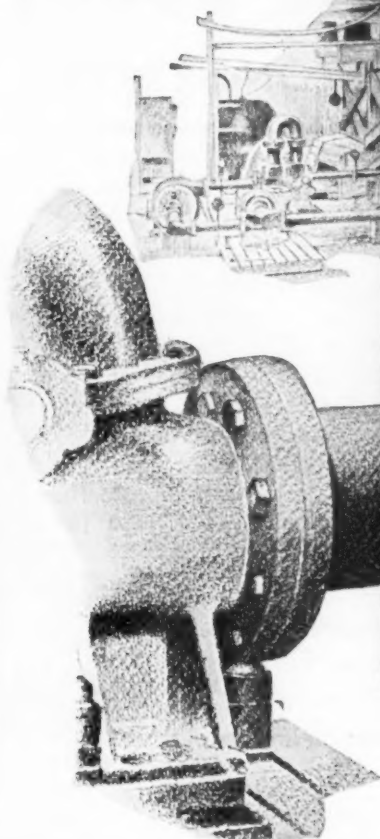
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A parliament of experts stands ready at all times to relieve a parliament of politicians of perplexing technical problems affecting government

Europe Makes the Lobby Official

By E. PENDLETON HERRING

Department of Government, Harvard University

ILLUSTRATIONS BY G. LOHR

BUSINESS has drawn up a chair at the council table of government. The politician and the statesman have requested the business man to take an official place at the board. This is a phenomenon new to statescraft.

At times of crisis, a harried administration has frequently appealed to the banker, the manufacturer or the shipper for aid. Today in Europe, however, appeal is not reserved for extreme occasions. The farmer, the worker, the entrepreneur, the capitalist are no longer "outsiders" to be called upon in emergencies and peremptorily dismissed when the danger is passed.

In short, the new governments of Europe have provided in their consti-

tutions for some official means of representing the economic interests of the nation. In Germany a Parliament of Industry functions beside the *Reichstag*. Similar bodies are established in Czechoslovakia, Latvia and Spain and provided in the constitutions of Poland, Danzig, and Jugo-Slavia. France has

established a National Economic Council as part of the machinery of government. Even in Great Britain there is considerable movement for government recognition of capital, labor and agriculture.

The All-Russian Congress is based partially on the vocational principle. Italy has set up a consultative council to advise the Ministry of National Economics. Of greater significance is the Parliament where the members are selected from a panel of 800 names drawn up by the Fascist syndicates of employers and of employees.

These attempts at economic representation are in their experimental stage. The mere fact that a country's constitution provides for them does not carry them automatically into effect. Legislative action is necessary and parliaments often have delayed in passing the needed law. In some instances executive decrees have been needed to bring about the desired result. Party squabbles have also delayed develop-



STATECRAFT and business were once entirely separate careers. But the expansion of Government into new fields has made such a distinction impossible in the world today.

Business must aid Government.

Just how this is to be done is a problem that many foreign countries are now trying to solve



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ments. The experiments already made, however, enable the observer to draw some conclusions as to these bodies' usefulness, and to compare them with the system of economic representation in the United States. In Europe the spokesmen of business and labor are given a formal place—in our country an informal one.

State and business overlap

OUR government today is not the institution it was a generation ago. It has added a multitude of branches which cast their shadows into regions once thought reserved to individual enterprise. Whether one regards this increase as a curse or a blessing it remains a fact. Governmental expansion into economic and social spheres is one of the outstanding developments of the last few decades.

The organized group has arisen as a counterbalance to the highly organized and expansive state. In the United States the national association through its legislative agent presents to congressmen and to congressional committees, to administrators and to federal departments the attitude of the membership on various public questions.

In Europe the organized group likewise finds it necessary to present its case to the government. It is provided a medium through a national economic council.

Such an agency is found in its most



Bar special interests at official portals and they use the transom

highly developed form in the German Parliament of Industry, the *Reichswirtschaftsrat*.

This body's constitutional basis is as firm as the constitutional basis of our own House of Representatives.

However, definite legislation putting the constitutional provisions fully into operation has not yet been enacted.

The Council is functioning under a provisional act passed in 1920 which does not carry into effect the full power granted under the constitution. At present the *Reichswirtschaftsrat* cannot initiate legislation nor present its views directly to the *Reichstag* although these rights are set forth in the constitution.

The membership of the economic parliament is fixed at 326 and is divided into ten groups as follows:

GROUP ONE—Agriculture and forestry, 68 representatives

GROUP TWO—Horticulture and fishing, six repre-

sentatives

GROUP THREE—Industry, 68 representatives

GROUP FOUR—Commerce, banking, insurance, 44 representatives

GROUP FIVE—Transportation and public works, 34 representatives

GROUP SIX—Trades, 36 representatives

GROUP SEVEN—Consumers, 30 representatives

GROUP EIGHT—Civil servants and the liberal professions, 16 representatives

GROUP NINE—Persons especially qualified to represent the economic life of different parts of the country, selected by the Reichstag, 12 representatives

GROUP TEN—Persons appointed at large by the government, 12 representatives

It is evident that this plan would be practically impossible to operate if these different groups were not organized. Industry without trade associations and labor unions would be a confusion of conflicting forces too chaotic to permit of intelligible representation. In German industry a remarkably thorough system of organization prevails. The Government took advantage of this and provided that representatives to the Parliament of Industry should be elected by their respective trade associations, chambers of commerce, labor unions, agricultural societies or professional organizations. This applies to the first eight groups.

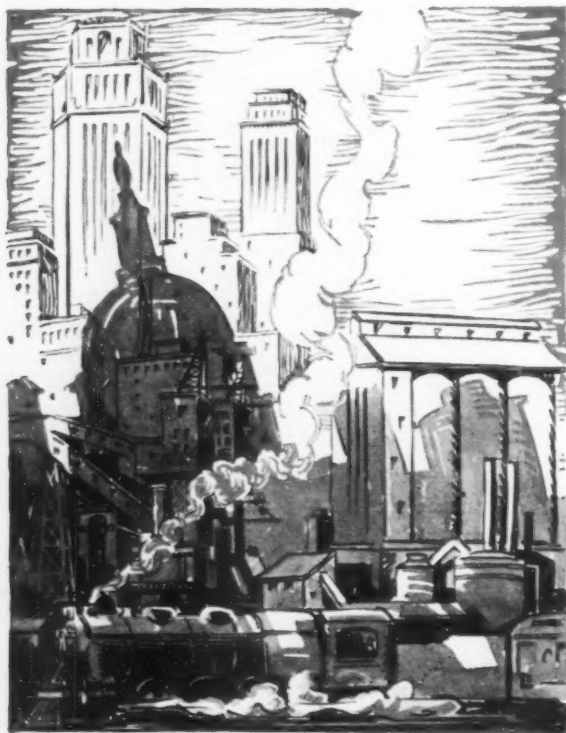
Experts advise politicians

REPRESENTATION is made as complete as possible. Within each of the first eight groups capital and labor are accorded an equal number of representatives. Moreover, an effort is made to draw a certain proportion of each group from different regions.

Thus a parliament of experts stands ready to relieve a parliament of politicians; to these experts political leaders may resign perplexing technical problems as they arise.

In fact, the act authorizing the Council provides that legislative projects of an economic and social nature should be submitted to the *Reichswirtschaftsrat* before being introduced into the political parliament.

The Council works chiefly through committees in which specialists discuss proposals and prepare their report. The full meeting of the Council provides a forum where leading economists and influential business men debate issues and expound their theories. Strange as it may seem, the discussions tend to be scientific and theoretical rather than



Many governments today cast their shadows on individual enterprise



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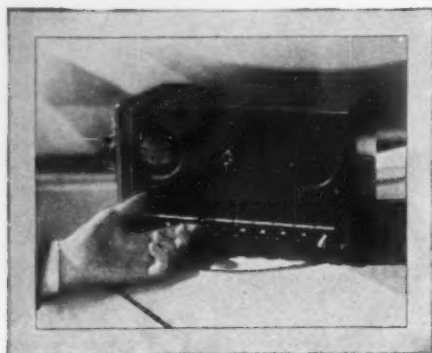
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practical. The general sentiment of the Council at present seems to be nationalistic, capitalistic and conservative.

Germany's smaller neighbors have instituted economic advisory bodies of their own. The readiness with which these nations followed Germany's lead illustrates the significance of this new relationship between business and government.

Czechoslovakia is one of the new countries to set up this new type of representation. There the 150 members of the economic council are elected by their respective vocational associations. Sixty are selected by the employing class through organizations such as the Central Association of Czechoslovak Industrials, the Association of Czechoslovak Banks, the Trade Council and the Chamber of Commerce. The trade unions send 60 representatives, the economists, consumers and other experts appointed directly by the Government complete the membership.

Most of the Council's work is done in committee and has, on the whole, proved satisfactory. The committees are not infrequently consulted by the government departments.

The Financial Committee in particular has been invaluable in giving expert advice and preparing the details of laws concerning taxation and the stabilization of the currency.

Other committees have dealt with the housing problem, with a proposal for sys-

tematic electrification, and with many other questions of economic importance.

The attempts in Jugo-Slavia, on the contrary, have been unsuccessful. The fundamental laws of the nation provide for economic representation but a sentence in a constitution is not enough. Several efforts to enact legislation establishing an economic council have failed.

Question of power arises

MEN of affairs, within the Government and without, favor such a body but the proponents of the scheme are not agreed among themselves as to the amount of power to be accorded an economic council.

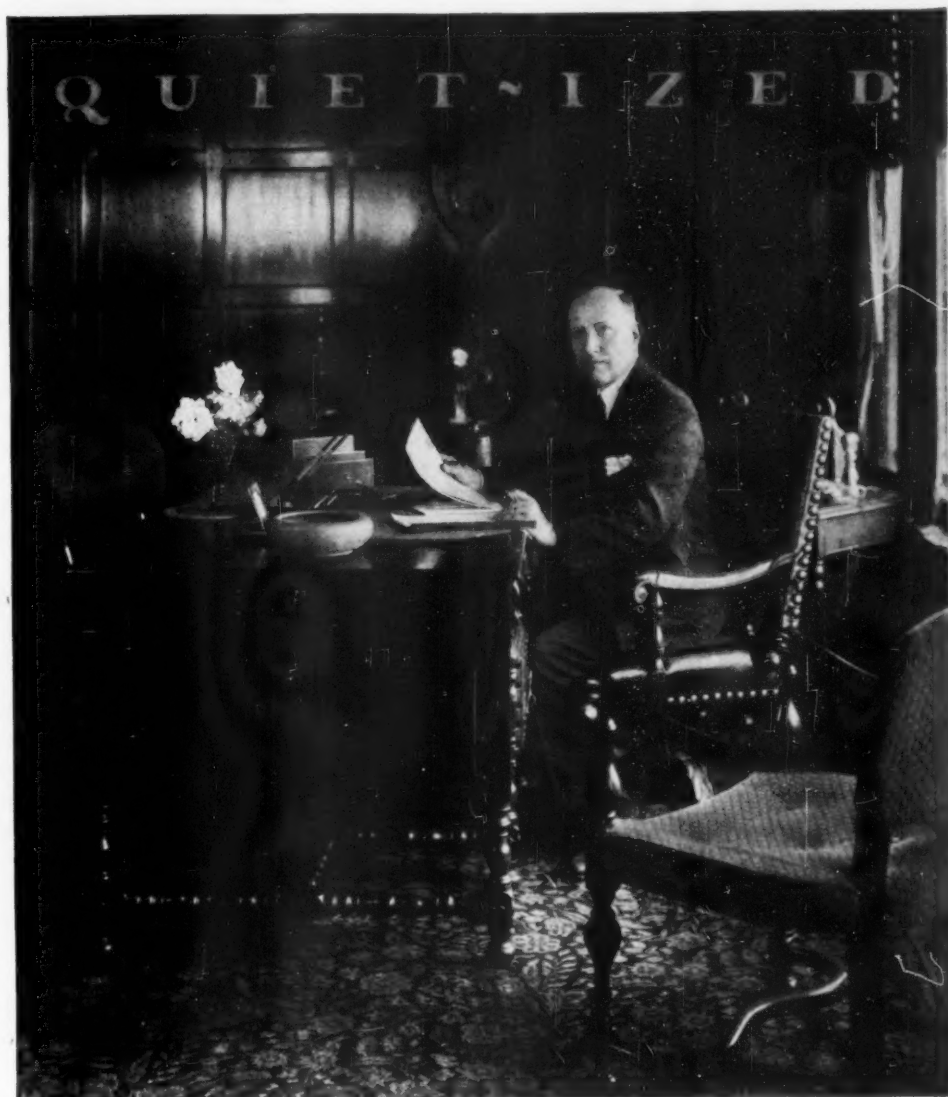
Business and craft associations have held three national conferences on the subject and in 1927 presented a plan to the Government. The Ministry of Trade and Industry has meanwhile drafted its own project for a council. The plans differ fundamentally. The business men want an autonomous consultative body, representative, independent, and free from the influence of the bureaucracy. The Ministry of Trade and Industry contemplates a council that would be a mere adjunct of its department. Neither plan has been accepted and the matter remains unsettled.

The problems facing Jugo-Slavia must be met by any nation considering economic representation. How much power is the Parliament of Industry to



The politician and statesman have invited business to take an official place at the council table of Government

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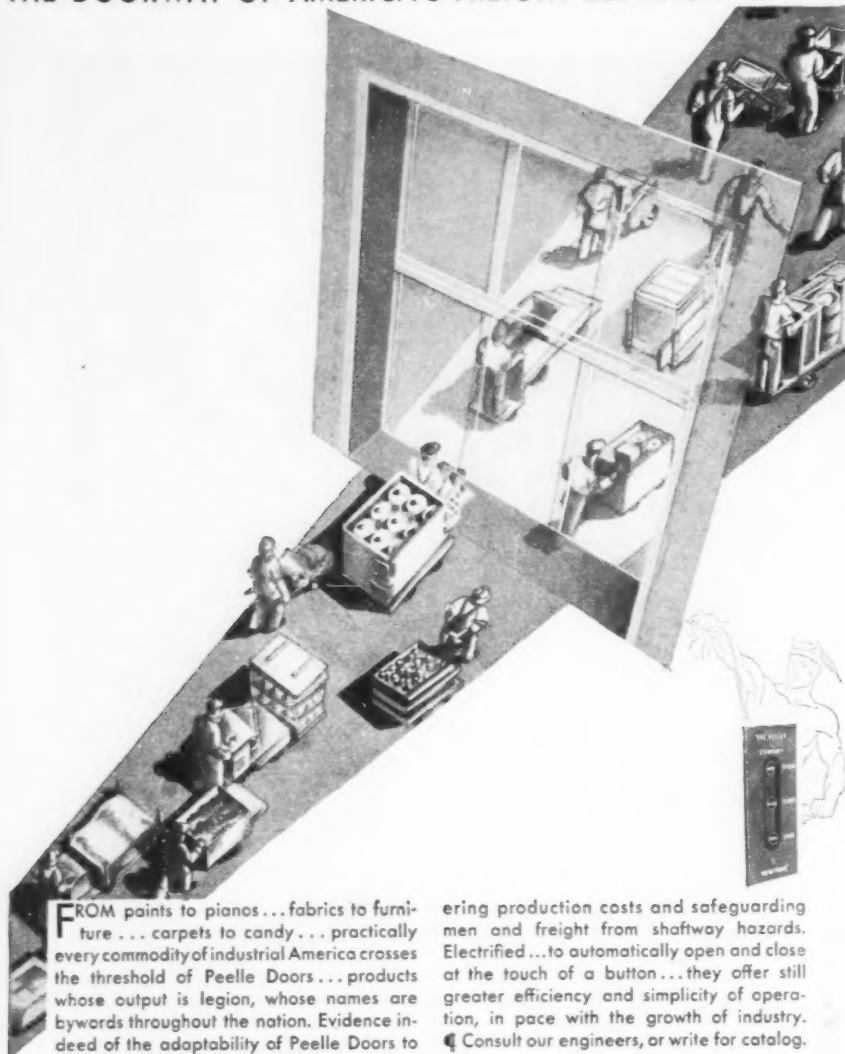
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exercise? What relationships should exist between the administrative departments, the economic council, and the craft and business associations?

France has answered such questions in a fashion that calls for examination.

Associations flourish in France. Labor is strongly organized in the *Confédération Générale du Travail* and employers' associations are gradually following the lead. All the steel works and blast furnaces are allied in the *Comité des Forges*; all the builders in the *Fédération de la Mécanique*. The motor manufacturers, and those dealing in railway and war materials, have their respective syndicates. Interprofessionally, these industries are grouped in the *Union des Industries Métallurgiques et Minières*.

There are central committees and bureaus for the wool, silk and chemical products industries. The employers come together in a great federation known as the *Confédération Générale de la Production Française*.

Usefulness is already shown

ASSOCIATIONS of this kind are the component elements of the French Advisory Council. This body was set up by decree in 1925. Its 150 members are selected by the associations representing the various economic interests. These interests are divided into the three broad categories of production, intercourse and consumption.

To the Economic Council the Government may appeal for advice on all social, economic and financial questions. The Council may even prepare bills and decrees on each subject or examine the measures submitted by the various administrative departments.

The Advisory Council is but one phase of a strong movement for a more thoroughgoing system of occupational representation in France. The numerous organizations existing in France largely explain the movement. Professional societies, labor unions, and trade associations are believed to be changing the very basis of the state. The tendency is away from the individual, the family and the neighborhood as the units of power in society. Occupational groups are regarded as possessing power and authority.

Since the function and the composition of the state have altered, the Government, according to one writer, must be directed by professional groupings. In short, the politician must give way to the business man.

There are also persons in England calling for economic representation.

It has been suggested that the British Government include not only a political parliament but also an economic chamber to take the place of the House of Lords.

The one chamber would concern itself with "whatever national control may from time to time be required over the nation's economic and social activities." The other would retain control of political questions such as national defense, foreign affairs, and the administration of justice. Questions of finance would be settled by the two parliaments acting together.

Here again, as in all the schemes touching upon economic representation, the voluntary associations of workers and of business and professional men are regarded as a basic part of the political structure.

England has own methods

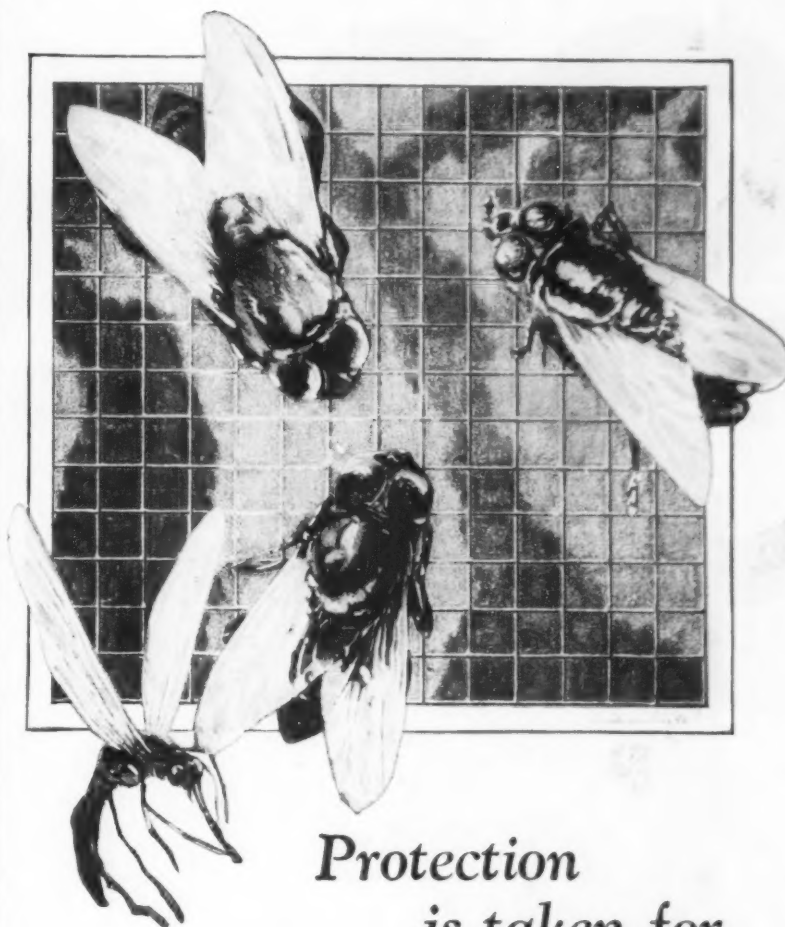
BEYOND the suggestions made by the mildly progressive wing of the Labor Party and the Guild Socialists there has been little development in England toward forthright economic or occupational representation. Yet in providing facilities for private interests to present their case to the Government, England has developed methods which preclude the unregulated and unofficial lobby of this country.

Through the system of private bill legislation, legislative counsels, who act in a sense as the English counterpart of our lobbyists, are given recognition. Bills dealing with personal or local matters such as street railway franchises, omnibus company charters, and municipal public works are classified as "private bills" and sent to small committees appointed to deal with questions not involving public policy. The committee hearings are judicial in nature and resemble those of a court of law. It is through such formal means that the case of the corporation, the individual or the municipality is presented to Parliament.

There still remain, however, public questions in which private interests have a concern. Through especially appointed royal commissions, elaborate investigations on weighty public problems are at times undertaken and organized interests often send their experts to testify in their behalf.

Although Great Britain has no advisory body there is evidence that the Government recognizes, at least partially, that certain aspects of the nation's business are not adequately represented by the House of Commons.

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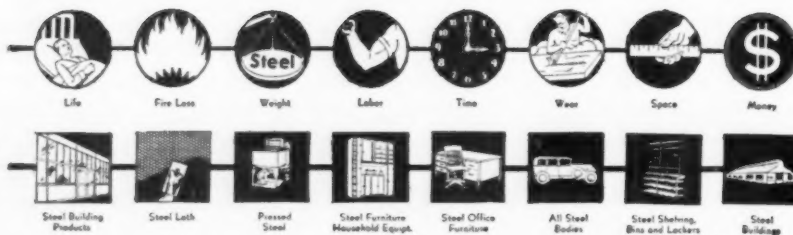
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states are becoming acutely aware that a great surge of economic interests is sweeping through the life of the community. Forces are breaking to the fore that could be ignored a decade or so ago. Political agencies must share their authority with social and economic agencies in the tasks of direction and leadership.

Special interests have rights

THE sentiment provides that politics has its own sphere beyond which it should not wander but within which it should function efficiently.

However, it is not possible to keep separate and distinct the political sphere. Business and government, economics and politics overlap at too many points. To refuse special interests an entry through official portals means that they will find their way in through the transom.

It becomes then largely a question of providing the medium best suited to the fair representation of these important groups. In this country, thousands of citizens through their membership in a wide variety of associations maintaining contacts with the government, are certain that the opinions of their respective groups will be expressed. Due to the present unregulated and unofficial character of this relationship with the Federal Government it sometimes happens that irresponsible adventurers under the guise of a pseudo "national association" are able to exert an influence not in keeping with their strength or importance.

European nations have been able to avoid such abuses by linking the associations officially with the government. They experienced great difficulty at times, however, in selecting those who were to have seats on the economic councils. They were also perplexed by the problem of adjusting the council to the already established branches of the government.

Today the parliament of industry is generally conceded to owe its success to its ability to present the "objective opinions of experts and the particular desires of interested parties." It achieves its greatest effectiveness as an advisory body.

The governments of Europe have recognized that cabinets and parliaments are not omniscient. They are impressed with the desirability, if not the emphatic necessity, of leaving technical questions to experts. The National Economic Council is the pragmatic synthesis of politics and economics.

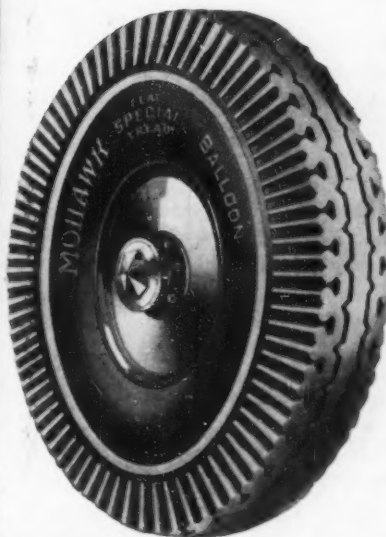
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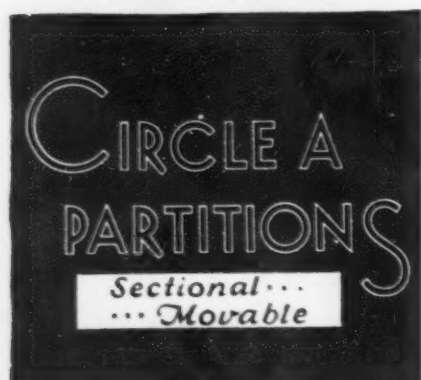


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A New Pace in Journalism

SOME further evidence that this is a small world is now being given daily by the simultaneous appearance in New York and San Francisco of *The Wall Street Journal*. Thanks to the enterprise of Lord Northcliffe, the people of England were accustomed some years ago to the simultaneous publication, in other cities, of London newspapers, but until lately there has been nothing comparable in daily journalism in the United States.

"The idea of the Pacific coast edition did not originate with us," said Kenneth Hogate, general manager of *The Wall Street Journal*. "Frequent expressions by bankers, brokers and industrialists in the West of a wish that they could get the *Journal* on the day of publication, instead of four days or a week late, prompted us to consider the possibilities.

"This often-repeated desire emphasized the significance of a fact already known to the management, that California was fourth among the states in volume of subscribers to our newspaper. About the time we began to play with this idea we started shipping the *Journal* by airplane to Chicago where there were numerous buyers willing to pay \$90 a year. The price in New York is \$18 a year. This was significant in indicating the existence of a wide market for the news of Wall Street while it is news.

Framework already established

"DURING all of this time we had been developing our news organization on the Pacific coast. We were already operating the Dow, Jones news-ticker service in Los Angeles, San Francisco, Seattle, Portland, Tacoma and other cities. Most things that happen in Wall Street are, of course, merely reflex actions of events that have occurred outside of Wall Street. Consequently we began to see that we had already a substantial framework for the production of a Pacific coast edition.

"Instead of shipping matrices of the forms from which plates for the presses would be cast—as is done in England—we pour the editorial content of the Atlantic edition into wires and composition occurs at San Francisco, after some editing in consonance with local conditions. The Pacific coast edition is distributed into the Northwest by airplanes in the same manner that the Eastern edition is transported to the Middle West.

The result is that the interested portion among 65 per cent of our population is now enabled to read the *Journal* on the morning after publication.

"We feel that we have taken a stride toward fulfillment of the possibilities indicated by the important events occurring in the air and in the field of communications. An Army flyer has raced the sun across the continent, leaving Long Island at dawn and landing at the Pacific before night. When such things are possible a new pace in journalism is necessary."

Getting the paper under way

MR. HOGATE went to the Pacific coast last August to determine whether the project idea was feasible. In September a building was leased in San Francisco, and steps were taken to organize man power. On October 21, the first edition was issued from the western plant.

"But there was a lot of grief in the meantime," said Mr. Hogate. "From circulation and production standpoints we had to start at the beginning.

"Due to the passing of the San Francisco *Bulletin* shortly before we started, there was available a fine group of compositors and, in fact, material for the entire mechanical force. We aimed for the morning of Tuesday, October 15, as the first date of publication with a sixteen-page paper.

"We began work early Monday operating on a predetermined schedule necessary for the mails, but not many hours had passed before it became apparent that we would be a long way from getting out 16 pages. Of course our plans to issue on the next day were called off, but we went through the motions to get practice and coordination. The next day, production was better. Regarding the whole organization as something like a football team, it seemed after four days of practice but not actual issue that we might become overtrained. So on Friday morning, after a nearly complete paper had been assembled, we called off all activities until Monday, October 21, when there occurred the first real issue.

"We have published regularly since that time with results in both circulation and advertising somewhat ahead of our advance estimates, although business conditions generally have not been as good as at the time the estimates were formed."

—BOYDEN SPARKES

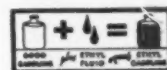
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EVERY pump containing Ethyl Gasoline bears the Ethyl emblem shown at the left.

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ETHYL GASOLINE

TOPICS FROM THE BUSINESS PRESS

By PAUL H. HAYWARD

TO what extent lower class buying—the purchase of cars in price classes below those from which automobile owners have made previous purchases—is increasing, no one seems to know, says *Automobile Topics*, but if the practice becomes general the automobile industry, “in one sense, will be defeating its own ends.”

“More real value and more selling features,” the editorial goes on,

are built into the lower-priced cars on the theory that the favorable price will attract a wider market, notably from the price ranks below the levels invaded. But if these new cars draw from higher, rather than lower price ranks, the volume may not be attainable, because the ranks thin out toward the higher brackets.

Of course, there is the other side. That industry progresses most rapidly which gives to the public the utmost return for every dollar invested. Hence, if the consumer is well pleased with a lower-priced car than he formerly owned, the tendency will be for him to buy more freely and replace more frequently.

But if the pendulum continues its present swing, it is obvious that two consequences will follow. The first will be the increasing density of the market, due to the narrowing down of the differentials between price classes and between competitors in those classes. The second is that the shrinkage of unit profits, which must result, will tend to impairment of profits, save in those instances where volume can be upheld.



♦ Will We Come to This?

BUSINESS men are grossly overdressed, declares Dr. Alfred C. Jordan in an article which *The Clothing Trade Journal* reprints from the *Franco British Medical Review*. He goes on to argue for a reform in men's dress that would allow the skin to carry out its important functions as an organ of ex-

cretion and a subsidiary organ of respiration. This he would accomplish through an adaptation of sports clothes to office requirements in

a suit consisting of lounge coat, shorts and stockings, all made to match, with shirt of rayon, suitably colored to tone with the suit. The shirt is open at the neck and needs no tie.

Recently I have had other shirts made, so designed that they can be worn with or without a tie, and either worn over or under the coat collar. The shorts are tailored to “sit upon” the hips, so they need neither belt nor braces. Consequently, on a hot day the coat can be removed, displaying the neat silky shirt; no ugly waistcoat or braces.

The lounge coat is not really a satisfactory garment; it is heavy and unshapely and needs padding and stiffening to keep it presentable. Some form of “jumper” would be far preferable.



♦ Civilization and Business

THE *Financial Chronicle* returns a vigorous answer to a recent article in *Harpers*, “Can Business Be Civilized?” by Harold J. Laski, professor of political science in the University of London. The good professor's diatribe against the “profit-making motive” of business and the “social idolatry” and “exalted eminence” accorded wealthy and successful business men, remarks the *Chronicle*, “for sheer bias and false premises has had few equals in recent years.”

“What have we for his (Professor Laski's) chief premises?” the editorial asks, after reviewing the article,

First, an assumption that business as now conducted is not “civilized.” What sort of civilization would or could we have without “business” as a component part thereof? Then—that there is something inherently wrong in “acquisition.” If there were no acquisition, how could business increase to meet the needs of mankind? And how can there be increase unless there is profit to be poured back into business?... What,

pray, is “civilization”? Who can define it save to say that it is the evolution of society to a point where there is ample sustenance, comfort and happiness, through the interaction of the labors of all men—and with production, distribution, and use and consumption—“business”—as the basis of the whole? How is the individual to play his part save through the ownership of and employment of property unless he becomes the slave of the State which owns all? From the ownership of the stone axe of the savage to the ownership of a steel mill this private property of the individual has prevailed. It is essential and therefore indispensable.

As for the onslaught on the business man as immune to condemnation for sin, as peculiarly the recipient of honors... no such condition exists. There are some, to be sure, who idolize the rich man. But the vast mass of ordinary men consider him for just what he is—a peculiarly successful business man, partly because of circumstances into which he is thrust, and partly because of inheritance. Some, like Mr. Laski, condemn him... Still others regard him tolerantly as a condition of our times, while they give their allegiance, friendship, and good-will to those who, like themselves, are in the middle ranks of honest and useful endeavor....

There is no... justification for using the “profit-making motive” as the sole incentive to labor and enterprise. There must be profit or industry becomes anemic and dies. But to do a part that is helpful to others and to self, to engage with others in work that accumulates for a future day, to exchange for a greater happiness—these are plain and potent motives.



♦ Our Colonial Cordwainers

WRITING in *Shoe Factory*, Helen J. Piper gives us some interesting facts about the early shoemakers—or cordwainers, as they were once called—who plied their trade in Lynn, Mass. The shoes they produced, she writes,

were of “neats” leather or woolen cloth. Such shoes were for everyday wear, but

OVER EUROPE



The Ford Plane

The Ford plane is planned, constructed and operated as a commercial plane. Built of corrugated aluminum alloys, it has great structural strength, unequaled durability, and is most economical to maintain in operation. The uniformity of its material is determined by scientific test. All planes have three motors in order to insure reserve power to meet and overcome all emergencies. The engines may be Wright or Pratt & Whitney, air-cooled, totaling from 900 to 1275 horse-power. Ford planes have a cruising range of from 580 to 650 miles at speeds between 55 and 135 miles per hour. Loads may be carried weighing from 3670 to 6000 pounds.

The capacity of these planes is 13 to 15 passengers and a crew of two (pilot and assistant). Planes can be equipped with a buffet, toilet, running water, electric lights, adjustable chairs.

The price of the Ford tri-motored, all-metal plane is exceptionally low because of its highly scientific methods of commercial production. Price is \$42,000 to \$55,000 at Dearborn.

Ford branches will be glad to give you information on the Ford tri-motored, all-metal plane in all models.

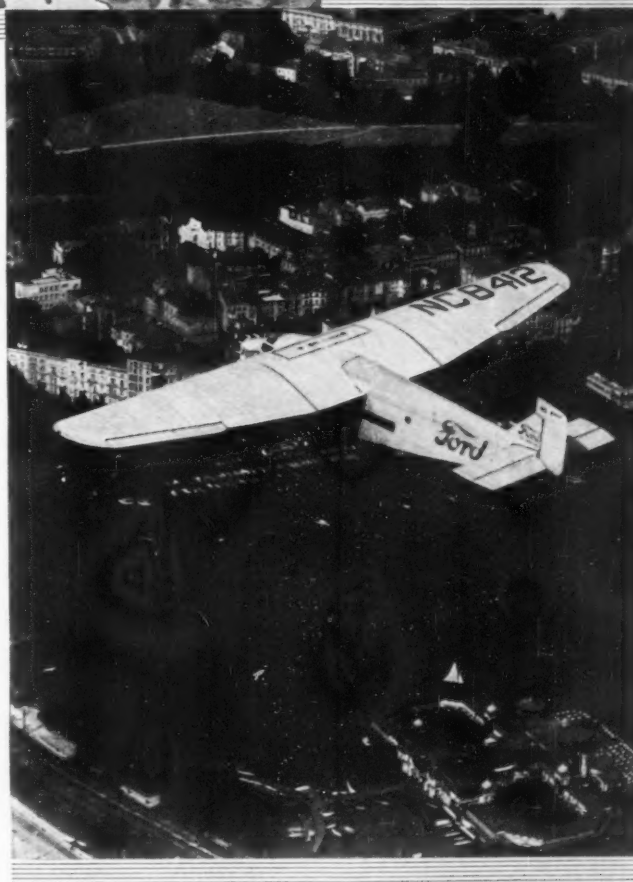
EUROPEAN aviation experts and newspaper correspondents refused to believe that the Ford Model-5AT all-metal, tri-motored plane that recently flew over Europe was a stock job. This plane, so familiar to Americans at home and in South America, amazed them by its unusual maneuverability and performance.

It was a feature of the London Show. Despite the fact that hundreds of commercial planes of all sorts are flying efficiently on airlines all over Europe, the arrival of the big Ford plane was everywhere an event of spectacular importance. Its strength, beauty, efficiency, gleaming cleanliness, and extraordinarily complete equipment astonished the European operators. Facing every variety of terrain, climate, and flying conditions this plane traversed 8915 miles over Europe, visiting almost every country on the continent, demonstrating its efficiency. As many as three countries were visited in one day. A total of 3757 passengers were taken into the air.

Having experienced no trouble whatever with engines or plane throughout the tour, this Ford plane was sold to a Czecho-Slovakian airline after demonstrating its ability to climb with full gross load at the rate of one thousand feet a minute.

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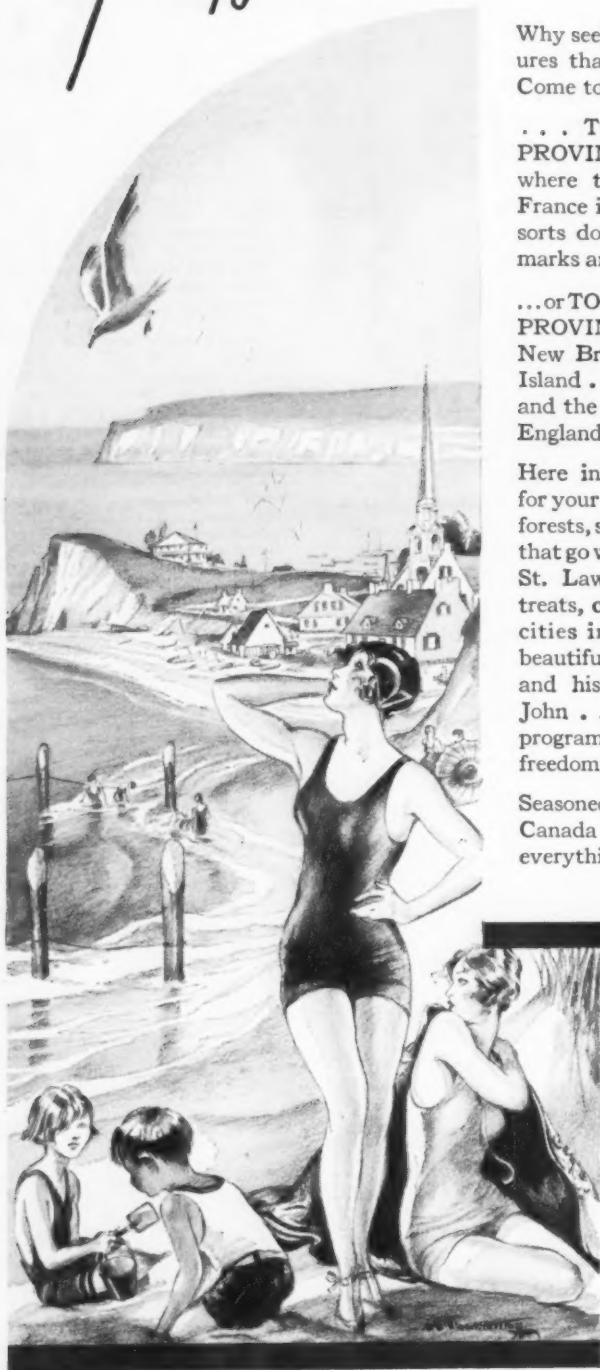
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KANSAS CITY
705 Walnut St.

LOS ANGELES
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NEW YORK
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PHILADELPHIA
1422 Chestnut St.

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PORTLAND, ORE.
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314 No. Broadway

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for special occasions the wealthier women had a pair of silk shoes, though these were rare enough to be greatly treasured.

The first shoe shops were the chimney corners of the cabins, where the craft was carried on for the most part during the winter months. As the seat of the cordwainer was near the fire, "knee-boards" were worn to protect the knees from the heat of the blazing logs.

The output of these first shops was a clumsy product at best; there were no lefts or rights, and only the crudest tools were used. . . .

With the rise of the shoe industry appeared the famous shoe shops known as "tenfooters" . . . and though crude in the extreme they marked the beginning of the factory system. They were usually from ten to fourteen feet square and six and a half feet high, with a low garret. A corner fireplace supplied the heat, and tallow candles the only artificial light. . . .

A crew of from four to eight men could work in these shops, each . . . having a space covered by his bench or seat with a foot or more space in front and at the side to give room to "swing out. . . ." Work began early (in winter months when the wax would work) and was sometimes carried on until ten at night. Shoe supplies were furnished by the itinerant trader who made his rounds among the shops every week or two. . . . It was not until 1866 that the first large shoe supply business was set up. . . . The shoebinding was done, for the most part, by the wives and daughters of the town, the output in the shop depending often on the swiftness with which the women folk could turn out their share of the work.



♦ How Freight Forwarders Work

SPECIALIZATION, one of the most potent forces in modern industry, is also making itself felt in the field of transportation, we read in *The Traffic World*. One expression of this intensive application of human planning and effort—if specialization may be defined in that way—is found in the activities of less-than-carload consolidators and freight forwarders. Just how these organizations function is explained by the author of the article, Homer H. Shannon, who writes,

the operation consists of gathering together less-carload shipments from various shippers and the consolidation of them into carload lots, each car being made up of articles taking the same classification. The forwarding

agency maintains offices and facilities at the points between which it operates and is both consignor and consignee when it turns the shipment over to the railroads.

The shipper receives a receipt for his goods and pays the forwarder for the transportation, obtaining that transportation at something under the less-car-load rate, or in lieu of that receiving either a store-door pickup or delivery free. Other inducements to the shipper include an expedited movement and reduction in the damage hazard and probability of pilferage. The forwarder also performs such functions as tracing shipments, when desired, and gives a telephone notification on arrival at destination. ... Generally speaking, shipments are limited to such goods as have a less-car-load rating, and that do not rate higher than third class in car-loads.

As an example . . . drugs are rated first class, L. C., and third class in car loads, with a minimum of 30,000 pounds. The less-car-load rate between Chicago and New York is \$1.42 a hundred pounds; in car loads the rate is 94½ cents. The forwarder charges the shipper at the rate of \$1.26, saving him 16 cents on each hundred pounds and leaving a gross profit of 31½ cents to cover the forwarder's services.

♦ Pruning That Merits Prudence

A NOTE of warning is sounded by *Sales Management* against "an industrial engineer, the title now commonly given to the former so-called efficiency engineer" who has been "expatiating with fervor on the folly of doing any but profitable business." This gentleman, the editorial continues

like others of his ilk . . . revels in such illustrations as that of the wholesaler who cut off more than half of his customers because their small orders did not pay and increased his net profit by a large sum though at the same time his sales volume shrank substantially. He likes also to tell of a house with a large number of salesmen of whom only a small percentage made money for their employers, the others eating up hundreds of thousands of dollars in salaries and expenses. . . . There is undoubted need of careful scrutiny in all business enterprises if unnecessary wastes are to be avoided; that is one of the cardinal virtues of good management. It is a fact also that profligacy is the hand maiden of most insensate scrambles to increase volume.

But there is just as much need of careful study to make sure that pruning aimed at deadwood does not also destroy sproutings which give promise of fruitful growth. This is true of customers as well as salesmen. Measured by the yardstick of present profits, many of them would be swept away as worthless with immediate advantage to the sum of net earnings. It does not follow, however, that in the long run this sort of efficiency in management would pay.



COSTS CAN BE REDUCED

"Increase in net profits must be found somewhere between the receiving room and the shipping platform. Cut manufacturing costs and use the savings for selling."

This line of thought has influenced many manufacturers to use pressed steel. In one instance a 24.5 pound part was reduced to 8.5 pounds and this 65.3 per cent weight reduction was actually translated into 30 per cent production savings. Strength was increased, breakage eliminated, no machining required.

In the new book, "Adventures in Redesign," shown above, there are eighteen FACT stories, showing how YPS Redevelopment Engineers have helped make similar reductions in production costs for manufacturers in different industries.

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Things That Plague the Food Industry

(Continued from page 22)

distribution and particularly the development of chain stores. They have convinced cattle raisers, live stock dealers and wool growers, who used to be their bitterest foes, that they ought to adopt resolutions in favor of nullification of the decree. The packers say that the chains have attained such prominence in food distribution that soon they will be in a position to tell cattle men what prices they will pay for meat on and off the hoof.

The charges against the meat packers and the proposal to modify or nullify the consent decree seem to observers separate considerations and the potential rivalry of packers and chains appears to many to be an entirely different question.

Who shall have control?

IT HAS been argued that there is no reason why the packers, or any others, should be prevented from going into any business, provided they keep within the law. But it is difficult to see how their establishment of retail meat markets or their acquisition of a national chain of grocery stores would answer the question of monopoly. If the food industry is tending to monopoly, and there are many reasons to believe that certain groups are approaching predominance sufficient to affect prices in primary markets, who cares whether the packers or the chains hold the control?

Then, what is to be said about the old quarrel between manufacturers and wholesale grocers over their respective brands? Manufacturers say the wholesalers should stick to their own job and not invade the manufacturing field, while the wholesalers retort that if the manufacturers had not sold to many retailers direct and to chain stores, the wholesalers would not have had to start private brands for their own salvation. It is hard to persuade wholesalers who have made a success of their own brands to abandon them.

Prejudice is another detriment to the food industry. It is not only individual but is strong in firms and has spread to associations. Somebody taught employees to be loyal to their goods and their firm. The thought, worthy enough in itself, has been carried to such extremes that the teachers and the stu-

dents have come to believe that they, their firms and the trade groups represented by associations are immune from criticism. Many group efforts, intended to correct difficulties or reduce abuses, have failed because of jealousy based on prejudice.

A race for the telephone

OF COURSE, many efforts have been made to overcome these difficulties but little improvement has resulted in the industry as a whole. A generation ago wholesale grocers met in secret meetings and pledged each other not to cut the price of sugar. They even appointed an umpire to exact fines and to dole out rebates. The only trouble with the agreements was that the man who could get to the telephone first broke them. He thought he could put something over on his competitors by getting word to his salesman that "the boys" were going to keep the price on sugar and that his men should immediately get out in the trade and cut it about half a cent.

After about a decade or so men began to see the futility of such arrangements. About that time, too, the antitrust laws were enacted.

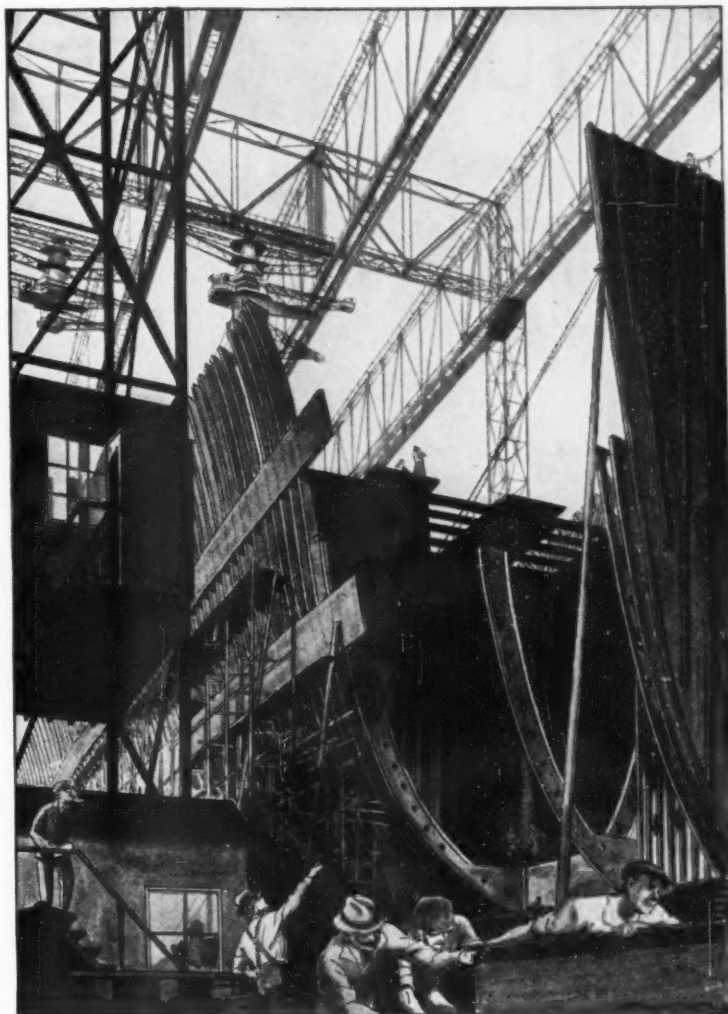
Then came the ethical awakening. Associations adopted codes of ethics which were handsomely printed or illuminated and hung on the walls of the secretary's office. There they remain to this day, to be read occasionally by visitors and smiled at by practical men in the business. Next came the era of the trade relations committee. Every industry was to have a central committee and every trade was to have a sub-committee and every locality was to have its sub-sub and so on ad infinitum. Many long and wearisome conferences were held but the chains would agree to nothing the independents wanted them to do and decided that on the whole it was wiser not to commit themselves to anything at all.

The Government is called in

ABOUT a year and a half ago the trade decided that the only way it could get out of its difficulties was to get the Government in, and that the only way to cure the disease was to submit to a complete physical examination and

ECONOMICS OF THE ELECTRICAL INDUSTRY

BUILDERS of Ships

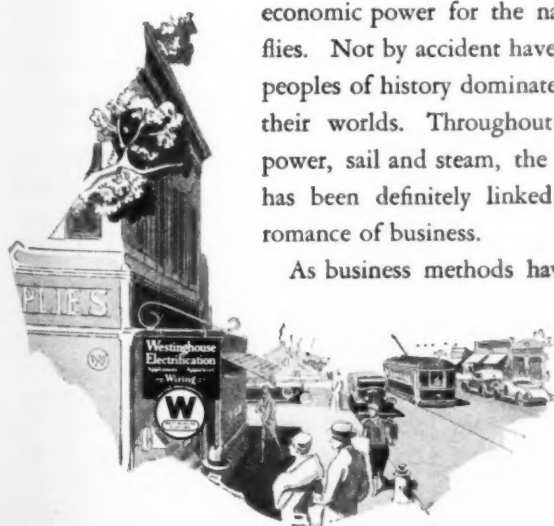


ARE BUILDERS OF TRADE

Every new ship that glides majestically down its ways into deep water is a symbol of growing economic power for the nation whose flag it flies. Not by accident have the great seafaring peoples of history dominated the commerce of their worlds. Throughout the eras of manpower, sail and steam, the romance of the sea has been definitely linked with the broader romance of business.

As business methods have progressed with

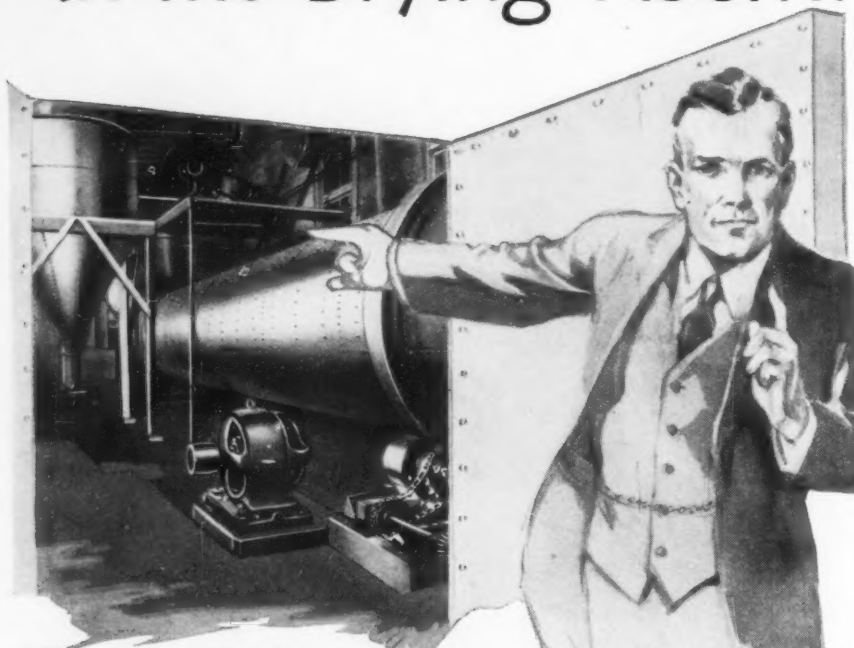
the times, so also has shipping. Today the finest marine service depends upon electricity for much of its modern efficiency. In passenger liners and freighters, tugs, river towboats, submarines and battleships, Westinghouse electrical equipment drives the propellers, mans the pumps, controls the rudder, speeds the handling of cargoes. Westinghouse contributions in this field are typical of its activities in every branch of industry.



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Business progress begins with efficiency. Waste is poison to profits.

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We will be glad to furnish you the proof of possible savings in your plant. Without obligating you, Louisville Drying Engineers will study your problem, recommend a more efficient dryer installation if you need it, and put their conclusions before you in dollars and cents. If you dry any bulk material, this investment may be the most fortunate one you have ever made.

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- 2 Cut down the number of attendants, in many instances to part time for only one.
- 3 Save 50% to 75% of valuable floor space for other purposes.
- 4 Speed up production by affording uninterrupted operation of plant, because of continuous delivery of dried material.
- 5 And—give you a better quality product.

psychoanalysis. So the National Wholesale Grocers' Association proposed a Grocery Trade Practice Conference with the Federal Trade Commission.

The Conference adopted 18 resolutions which the Commission converted into 19 rules. These have to do with price cutting, secret rebates, price discriminations, premiums, commercial bribery, false advertising or any other deceptive statement, slack filled packages, and selling below cost, and a few other running sores which are all included in Group One rules, as coming within the provisions of the law.

Group II rules the Commission accepts as expressions of trade opinion. These have to do with such things as misleading selling price, abuse of buying or selling power, compelling the purchase of a group of products in order to purchase one, substitution or the failure to fill orders, the abuse of drop shipments, the abuse of the discount for cash, free deals, and the diversion of brokerage. These are only a few of the symptoms that the trade complains of.

A difficult assignment

AN executive committee has been appointed to "educate the trade." The committee has been in existence more than a year and at the second session everybody pledged himself to everything to which he had pledged himself before. About 75 persons attended as compared with 750 at the first conference, and four trade associations took part as compared with more than 100 the year before. The Conference has the best motives in the world, but it also has a long uphill task before it to educate men in the food industry to be good.

One novel idea to cure the trade of its ills was proposed about a year ago and that was to set up a dictator. That idea was strangled at birth.

A chance for demagoguery

NOW, think over all the perplexing problems of which only a few have been suggested and then think of the opportunity for some glib politician. A candidate for election to any office can get little response from an audience if he talks about neckties or shoes or radios or automobiles. But suppose he starts to talk about food. We all have to buy food and we have to be more frequently concerned with the buying of it than with anything else in the world.

As soon as a demagogue begins to talk about the high cost of living and to tell what he will do to reduce it no

matter how impossible he knows his nostrums are and all his hearers know it, too, he gets a hand from the galleries. Already congressmen and senators have been making speeches about the monster chains and the poor little down-trodden retail grocers. They have cried out to heaven against the possible monopoly by large combinations of food manufacturers. They have demanded that the whole food distribution system be investigated.

Meantime state legislation against chain stores has grown from two bills two or three years ago to 62 last year. In 1928, Senator Brookhart introduced a resolution in the Senate authorizing the Federal Trade Commission to investigate chain stores. The Commission was also told to determine whether or not chain stores are more efficient than individual retail merchants, and to recommend legislation to curb chain stores, if that seemed necessary.

Such a report is bound to show differences in costs of doing business and in prices charged to consumers. Quite aside from that, did anyone ever hear of a government agency, or of a public official, having the opportunity to recommend legislation granting more power to such an agency, or official, and resisting the temptation?

The whole food industry is in such a condition that if it does not discipline itself it is in grave danger of government regulation.

Where a start can be made

OF COURSE under our present law, competitors cannot agree about prices, but they can find the trade abuse that is furthest removed from all questions of illegality and that is the easiest to cure and they can agree to cure that. Some beginning is better than nothing. It is barely possible that some laws may be wrong; at least, changing prostration into prosperity may be worth more than making a shibboleth of law.

Perhaps good would come of it if, at some meeting of all interested parties, Mr. Hoover, should enter, lift his head a bit and say, as he did in the old war days, "Gentlemen, I am not a food manufacturer or merchant. I am a mining engineer. There is a room at your disposal; every facility will be given you. The details are for you to work out. I will return at four o'clock this afternoon to receive your report."

My personal opinion is that quite unofficially he could do a lot of good for both the industry and the public just by reminding the industry that the problem is ready for their solution.

Inside the Holland Tunnel under the Hudson River.

The Presbyterian Hospital, New York City.

The New York Life Building, New York City.

The George A. Posey Tube, linking Oakland and Alameda, Cal.

Four Classics of Ventilating Science ... and initiative!

... The Holland Tunnel with its specially built giant fans handling 1400 tons of air per minute;

... The Presbyterian Hospital, New York, one of the most modern—and exacting—heating and ventilating achievements. 369,000 cubic feet of outdoor air, properly tempered, supplied every minute;

... The New York Life Building where one million cubic feet of air is supplied every minute to an army of workers;

... The George A. Posey Tube

linking Oakland and Alameda, California,—flooded with 80 tons of pure air every minute—unfailingly!

It is significant that Sturtevant equipment was the choice of the Architects and Engineers for all of these striking examples of American constructional genius ... But the reason that the name "Sturtevant" is linked with these great enterprises is because of the superior operating characteristics of Sturtevant ventilating equipment!



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HEATING-VENTILATING AND
POWER PLANT EQUIPMENT



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Bringing Beauty to the Factory Site

How one plant transformed a barren tract into a garden

MOTORISTS travelling the historic Boston Post Road come upon a striking bit of landscape gardening near Greenwich, Conn. Two things combine to make the development noteworthy, the fact that it has been created on what was an almost barren site and that it is both the fruit of and setting for a commercial enterprise, the Condé Nast Press.

In 1924 the Condé Nast printing plant was a bleak appearing building, little different from the many other factory buildings along the historic Boston Post Road. Great masses of stone outcropped everywhere on the bare and uninviting rise of ground which surrounded the plant and flanked the highway.

The soil between the stone ledges was thin and poor, affording scant sustenance even for weeds. All in all, the 40



KARL LA ROCHE, STAMFORD, CONN.

These two large elms and 63 others were transplanted to the site

HAS beauty a place in business? The Condé Nast Press thinks it has, and has given that conviction striking expression at its plant near Greenwich, Conn., on the historic Boston Post Road



How the tract shown above looked in 1924, when development began

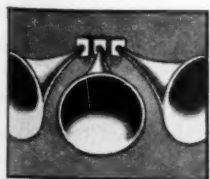
acres that comprise the tract afforded as unpromising a locale for a garden spot as could be imagined.

But in the short space of five years the plot was transformed as though by magic. It was magic of a practical sort that worked the change, however—the magic of dynamite, of snorting trucks and puffing steam shovels, guided by vision that transcended the meager realities of the tract. The change that has taken place can be sketched only briefly here.

For example, 65 tall American elm trees were transplanted about the central circle laid out in front of the plant—a circle bisected by the highway and rimmed with walks and driveways both on the half nearest the plant and on that across the Post Road. Every one of the 65 large trees was transplanted to its present site, great holes being blasted out of the rock to receive the roots. Evergreens and decidu-



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The speaker rises—and the Western Electric installation in the huge room transforms him into a score of speakers! No matter how far away from him you sit, his every word comes to you as distinctly as though he stood right beside your chair.

Committees arranging banquets or conventions find that meetings are more interesting and effective when held in hotels where the Public Address System widens the hearing circle.

This equipment is a miniature interior broadcasting station, transmit-

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Western Electric

PUBLIC ADDRESS SYSTEMS

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ous trees, dog-wood and cedars, shrubs, ground covers and vines combine with the elms to surround this five-hundred-foot circle.

The decorative effect of this part of the grounds has been heightened by the introduction of a varicolored, four-foot stone wall over which masses of climbing roses and wistaria clamber.

Concealed sprinklers used

THE close-cropped grass covering the central expanses of this plot is kept green through the summer by means of a concealed sprinkler system and underground piping. When the circle needs watering a lever is touched, and dozens of submerged sprinkler heads pop up from the green expanse to send a fine spray over the entire surface. No golf

green anywhere is more abundantly smooth and verdant.

Hemlocks hedge the outer circumference of the driveways around the circle and these are bordered in turn by hybrid rhododendrons. Statuary, marble seats and other formal pieces adorn the gardens that flank the semicircle across the highway from the plant. The garden to the right of the central plot is slightly sunken, a rectangular stretch of greensward with steps at either end. On a terrace back of the flight at the farther end is a fountain from a garden in Florence and to the right of this a great copper beech and spreading maple, both transplanted there.

A rock garden lies at the left of the semicircle, starred in season with brilliant Alpine plants and with a holly tree, rare in that section, and a cedar of Lebanon as prominent

features of the leafy background.

An opening in the semicircle, farthest from the plant and directly opposite a twenty-five-foot fountain that plays in front of the central building, leads to a formal garden. Here is a five-hundred-year-old Florentine baptismal font, now serving as a bird bath, while at the rear is a space covered with colored flagstones where huge red oil jars from Italy sit. Here, too, is a Georgian love temple imported from England, an architectural gem that faces the fountain more than 500 feet across the circle.

Development still unfinished

TO the left of the temple, as one faces it, there is a still unfinished area, although plans are under way for its development. Meanwhile it is being used for the propagation of perennials and annuals under glass. Through this tract wanders a small stream, its banks dotted in spring and early summer with forget-me-nots.

The flowers, in which the gardens and grounds are planted, provide a constantly changing pattern of colors through the seasons. Early tulips, late Darwin tulips, German iris and columbines, tall blue delphiniums, madonna lilies, masses of sweet william, baby's breath, coreopsis and foxglove, phlox and Japanese iris, helenium, boltonia and chrysanthemums follow each other in glowing profusion from early spring to late fall. Midsummer finds the gardens great masses of salmon pink, blues and whites, while in the fall the flowers follow the autumn's tints of bronze and yellow.

Some half-million dollars have been required to produce this scene of peaceful beauty and dignity—but the expenditure has produced something more than the delightful vistas which meet the eye. For it is with a prideful air of proprietorship that the personnel of the Condé Nast Press views these once-barren 40 acres, a feeling that reflects itself in their handiwork and morale. Here is one industry, at least, which has found that it functions more efficiently in a pleasant place than in a sordid one, that beauty has a definite power to stimulate and to encourage.



Hardly a tree or shrub grew on the property when Mr. Nast conceived the idea of converting the tract into a landscaped estate. Some further idea of the change that has been worked is gained from these two photos



"BY JOVE—I'M GOING ROUND THE WORLD!"



"On a President Liner I can do it in 85 days—and if this business can't spare me for 85 days I've been a poor executive."

"Sail from Seattle, San Francisco or Los Angeles—back to New York in less than three months! Time to visit Japan, China, Philippines, East Indies—ports and countries I ought to see and know."

"Glorious rest, interesting contacts—no telling what may pop up in that line—and not a thing in the world to



worry about... Yes sir, I'm going. Start in June. Round the World!"

—AND WHY NOT?

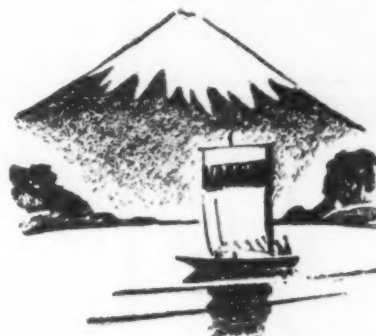
Such a trip may well prove to be the most valuable holiday you ever took.

You visit 18 ports in 11 countries. If time permits, you are free to stop over in any of these as long as you like—then continue your voyage on the next President Liner as you would on another train. (Weekly or fortnightly sailings from all ports.)

President Liners are the last word in comfort and service. All cabins are outside, amidships, with *real beds*. Luxurious public apartments, outdoor swimming pool, world-famed cuisine.

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201 BROADWAY SAN DIEGO
210 SO. SIXTEENTH ST. PHILADELPHIA
1005 CONNECTICUT N.W. WASH., D. C.
ROBERT DOLLAR BLDG. SAN FRANCISCO

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IN SPITE of modern instruments and charts, the captain of a vessel steaming along the coast at night welcomes the flashing beacon light which warns him of hidden reefs and shoals.

So to the business man, who carefully plans his course through the intricacies of modern industry, comes Nation's Business to point out new developments and changes, which, if unforeseen or ignored, might wreck his business beyond repair.

Nation's Business now serves 320,000 business men as a beacon which flashes them accurate information on the important business happenings of the month.

NATION'S BUSINESS • Washington • D C

We Prosper in Spite of Ourselves

(Continued from page 25)

labor. By increasing wages and by making money more valuable by giving greater value, he increased the prosperity of the country in two directions. Woolworth figuratively tapped a gusher oil well, and billions of dollars' worth of nickels and dimes poured forth.

In my own company we followed these good examples in a small way by creating a fine all silk full-fashioned hose to retail at a dollar, and now similar hose are available at that price almost everywhere.

It was not conflict which made these successes possible. The opportunity of such service was always there. It was not grasped until somebody saw greater possibilities in doing something for the consumer than in doing something to him.

We have no finished permanent business structure. The conservative who yearns for "stability" can go right on yearning, for it will always be a long way off. We have not yet advanced to the state where stability would even be valuable. When we learn to work together in a spirit of mutual usefulness, there will be no need to expect stability.

In proportion to its ability to adjust itself to the consumer's needs and wishes shall business in America progress. This is sound business. Isn't it obvious? And in proportion to their success in coordinating the functions of industry and business will American business men insure that the American scale of living will be higher than any other.

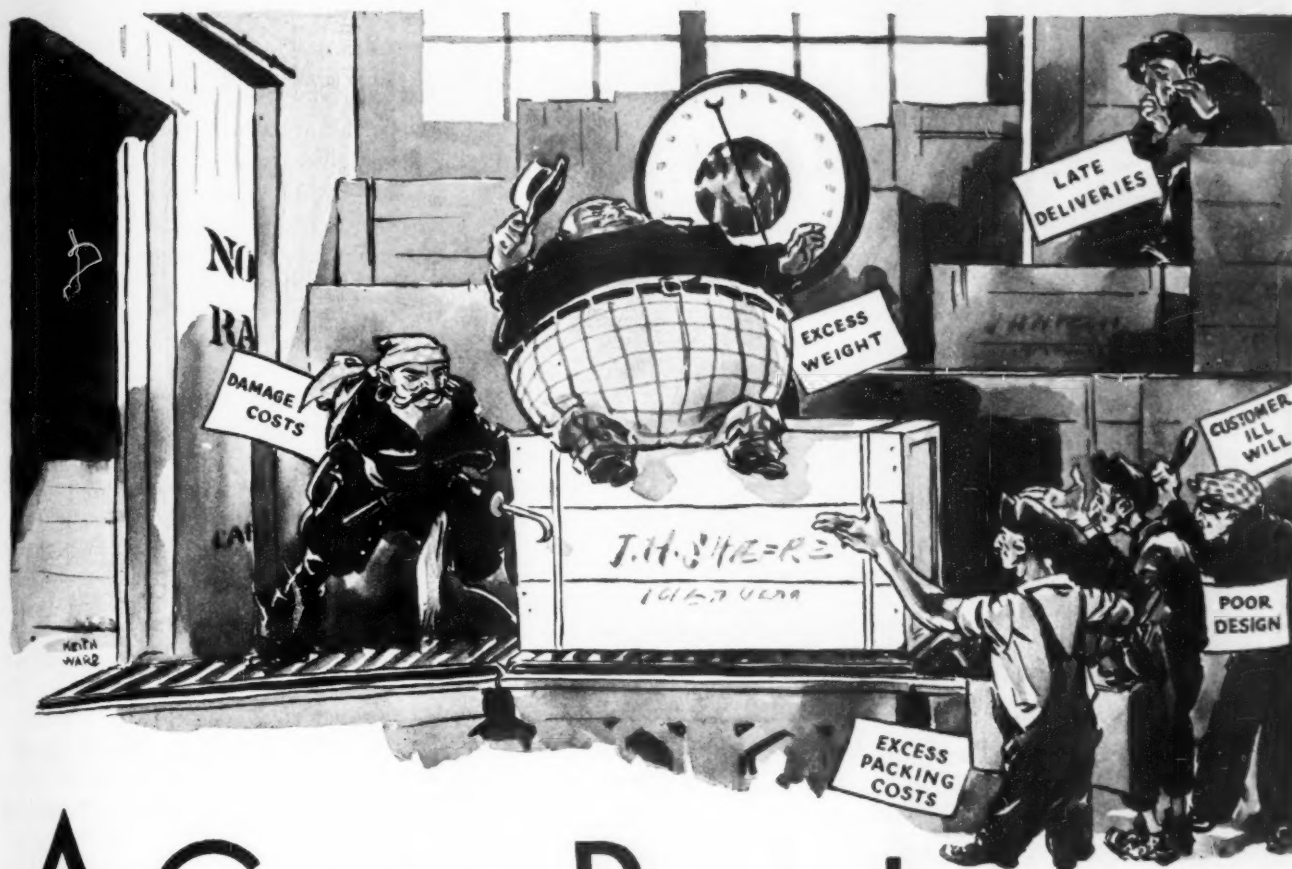
And as the scale of living of the masses improves so will business improve.

For Higher Skyscrapers

ONE-HUNDRED-STORY skyscrapers are said to be possible through the perfection of a new-style building tile, weighing less than 20 pounds a cubic foot. Ordinary building materials weigh an average of 120 pounds to the cubic foot.

Prof. George A. Bole, of Ohio State University, prophesies the new material will permit construction of buildings nearly twice the height of the Woolworth structure in New York City.

—A. P. R.



A Cent a Pound

Freight charges, for national distribution, average approximately \$1.00 per hundred pounds. A box or crate, therefore, that lugs only a few pounds of excess weight becomes exorbitant in cost and limits sales area. . . . A short while ago General Box Engineers redesigned a small shipping case for a nationally known food product with the result that the manufacturer saves a pound and a half on each of the 600,000 cases shipped annually. This amounts to a saving of 900,000 pounds, or 450 tons! In this instance, we simply enabled one manufacturer, through a small saving per unit, to enjoy a large saving in the aggregate. Where units are larger and heavier, the savings in shipping case weight often run 30% to 50%. . . . If you want to know how to cut your shipping costs—or assure yourself that such costs are at rock bottom—write today for an investigation. If you're not on our mailing list, we'll be glad to send you regularly our bulletin that is given over to a brass-tack discussion of better, more economical packing.

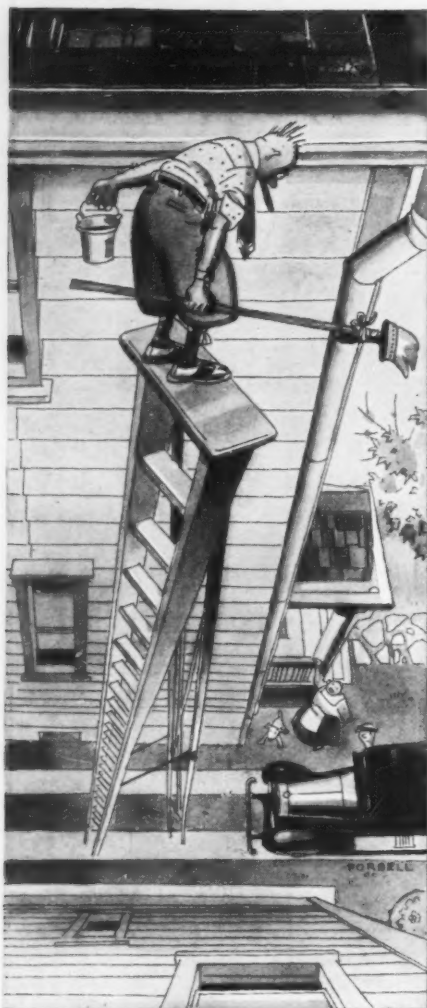
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Does Spring "touchin' up" ever give you a funny feeling in the pit of your stomach?

Accidents can happen *anywhere* but do you realize that *one out of every four fatal injuries happens right at home*. Accident Insurance costs so little and means so much.

Aetna writes practically every form of Insurance and Fidelity and Surety Bonds. *Aetna* protection reaches from coast to coast through 20,000 agents. The *Aetna* agent in your community is a man worth knowing. Look him up!



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AETNA-IZE

When writing please mention Nation's Business

Uncle Sam's Books of the Month

DEAR MR. EDITOR:

Since writing you last month concerning the great work the Government is doing in a literary way, a number of additional publications have come to my notice—publications that I think by all means should be brought to the attention of your readers. These works both delighted and edified the members of the Poplar Glen Ladies' Club when I discussed them at our last meeting, and I'm sure they will do no less for your readers.

But where shall I begin? There is such a wealth of new books coming from the Government Printing Office and they have such a variety of theme and sparkle of style that it's truly a task to select a starting point. Let me avoid choosing, for a moment, by calling attention to the latest news concerning the Government's publishing business.

Look how we're improving

THE PUBLIC PRINTER states that last year, 1929, he had some 4,000 employees in daily enrollment, who accomplished more work than did some 5,000 employees ten years before, when the equipment was not so up-to-the-minute. This comparatively modest force of 4,000 employees pulls down pay checks in excess of the poor fellows who worked 5,000 strong in 1919 to the amount of \$1,500,000. This shows how the world is improving, when 4,000 people can earn so much more than 5,000 could earn ten years ago.

Last year some 3,402,000,000 copies of all classes of work were printed, which beats the record of ten years before by 450 million copies.

And now, before passing on to the new authors, I would like to mention a new work by an old author, a favorite with the Poplar Glen Ladies' Club. I refer to the Home Economics Bureau of the Department of Agriculture, and its richly illustrated work on "Fitting Dresses and Blouses."

This work consists of 30 pages of careful explanations of how to cut, fit and make a dress or blouse. To render the subject more clear, there are inserted no less than 24 illustrations, showing sleeves put in the wrong way, and also the right way, and other various stages of the garment's progress.

Besides all this, there is a most handsome chart showing "Some Points in

Fitting Dresses and Blouses with Set In Sleeves," issued separately from the main work. This belongs to a "Series of Educational Illustrations" issued by the Government.

Certainly there is no excuse for farm women not being well dressed when the Government takes so much trouble to guide them in correct dressmaking. I am sure they ought to be ashamed to go about poorly attired when all they have to do to look just as well as any of us is to follow directions in these government books. Any Congressman will send a copy for the asking, or very likely without the asking, or it can be bought for ten cents.

Ladies are still sewing

RIGHT here I would refer to another valuable study prepared by the same Bureau and called "Present Trends in Home Sewing."

These ladies in the Home Economics Bureau have gone to a great deal of trouble to find out whether women sew at home and if not, why. While it seems difficult for them to say anything definite on the subject, they seem inclined to believe that women do a good bit of sewing for one reason and another, principally to lower the cost of clothing.

But also, as the work points out, some women like to sew. For many women sewing is the only avenue for expressing and developing their creative ability, as the author phrases it. Now, most of us get mighty poor returns for expressing ourselves. Expressing ourselves generally cannot be called an economic success. But if a woman likes to make a dress to express herself, that is different. She has the dress.

These women in the Home Economics Bureau who have studied this question conclude that women of the future will sew because they find it a joy and a satisfaction.

That may be. But I think, generally speaking, and judging by the ladies of Poplar Glen, sewing does not create sufficient joy and satisfaction to reward the young ladies of the Home Economics Bureau for their trouble. However, these young ladies expressed themselves through the avenue of this government book, and got a pay check besides, so all is well. When we start these courses in home economics, we have to provide places for the graduates. In the end, it

is an open question, one might say, whether economics are really economical, but I am mighty proud of the ladies who do the work for the Government in these branches. It does them credit.

This brings me to another publication, a very recent one called "Training General Educational Administrators in Responsibilities for Vocational Education," a work prepared by the Federal Board for Vocational Education.

The title confused me at first, but as I study it and go through the book the idea is really quite simple. It means nothing more than, as we would say, putting your school superintendent wise to teaching jobs to the children.

The "Dig-it-up" method

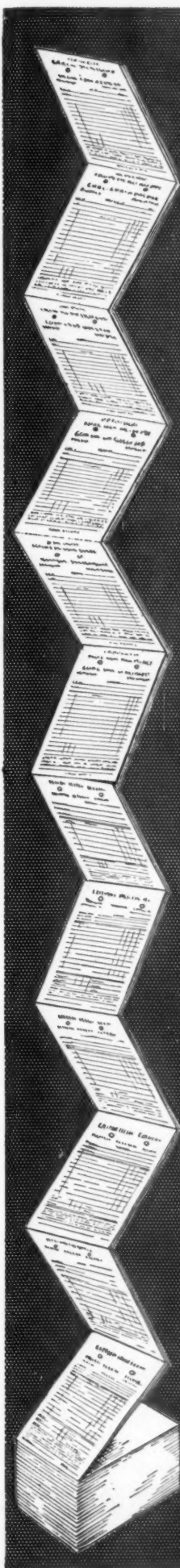
THIS WORK contains some extremely interesting ideas. For example, the writer says that as long as employers, superintendents and foremen deal with their younger employees in a "hand-me-down," dictatorial, repressive way, instead of by cooperative "dig-it-up" methods, they are inefficient, are blocking human development, and opposing public policy.

I asked my husband, Mr. Slocum, if he used the "dig-it-up" methods with his young employees, and he said he dug it up for their pay envelopes, if that was what I meant. I don't believe that is exactly what the book means, but anyhow I feel sure the Slocum factory is doing the right thing, even if not in the same words. It is most important, I feel, to fall right in with the advanced ideas offered in this literature the Government provides.

Another wonderful book, showing what the Government is spending for the farmer, is called "Technological Workers in the Department of Agriculture." Would you believe that there are more than 6,000 of these specialists, all working for the welfare of the farmer? The reports of some of them are very learned, and although I don't see how they will help the farmer I cannot doubt that so much wisdom and book learning must be of use. For example, in the "Sociological-Research Problem," one of these specialists says:

"The work of this division has helped to convince economists and the public generally that the human-relationships factor in agriculture, especially in its larger collective aspects, is amenable to scientific analysis and illuminating interpretation." This is from the report of the Bureau of Agricultural Economics, a document of 57 pages, simply packed full of such interesting matter.

MARTHA MARY SLOCUM.



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Have you ever lost a record—or had someone change figures after the tickets were written?

If you haven't, you've been plain lucky, because you ALWAYS run these risks with loose pads or books.

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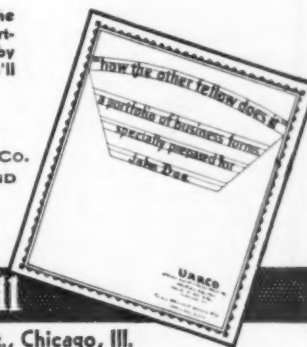
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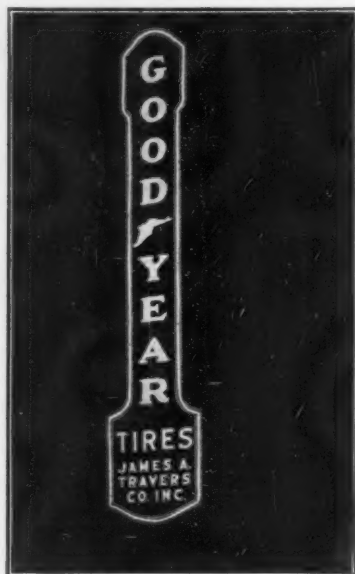
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Follow up your decision to increase 1930 sales by consulting a Flexlume representative. Backed by the largest plants in the world devoted exclusively to electrical advertising, you will find his suggestions of value.

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When writing please mention Nation's Business

Business Leaders to Meet in the Nation's Capital

WHAT'S ahead for business?

That question is being discussed wherever two or more business men get together just now. Men of affairs the length and the breadth of the land are projecting their thoughts into the future today, as perhaps never before, striving to formulate an accurate answer. A national question this, and one that provides a sound keynote for what has come to be the most representative and important of American business gatherings—the Annual Meeting of the National Chamber of Commerce.

Future trends to be studied

THIS year's meeting—the eighteenth such annual gathering—will be held at the National Chamber's Headquarters in Washington from April 29 to May 1.

The meeting will deal in large measure with the broader economic trends that affect all types and branches of commercial and industrial activity and, further, with the possibilities of directing and controlling those trends.

Difficulties already foreshadowed on the business horizon and difficulties that still lie in the future will be estimated and appraised for what they are worth, and the way opened for forehanded action in meeting these difficulties or dissipating them.

The Eighteenth Annual Meeting will be opened on the morning of April 29 with an address by President William Butterworth of the National Chamber. A review of the major problems confronting business will follow, while specific questions of more limited scope and affecting particular branches or groups of business will be discussed at round-table conferences in the afternoon.

Mr. Barnes to give address

JULIUS H. BARNES, chairman of the board of the National Chamber, will address the general session to be held that evening, bringing into practical perspective the more immediate tasks that confront business as a whole. He will also review the work and objectives

of the National Business Survey conference, of which he is chairman. Leaders in key trades and industries will follow Mr. Barnes upon the platform to discuss the outlooks in their various fields.

At the general session the morning of second day, Wednesday, April 30, the Federal Farm Board—which promises to absorb an increasing share of the American business man's attention, whatever may be his particular field—will be discussed. An exposition of the policies and administration of the Board from an authoritative source is contemplated, to be followed by a presentation of the business viewpoint of the Board and its operations.

The series of round-table conferences will be continued in the afternoon, while the National Association of Commercial Organization Secretaries, the American Trade Association Executives, the National Association of State Chambers of Commerce and other groups will hold dinner meetings that evening.

Two important subjects

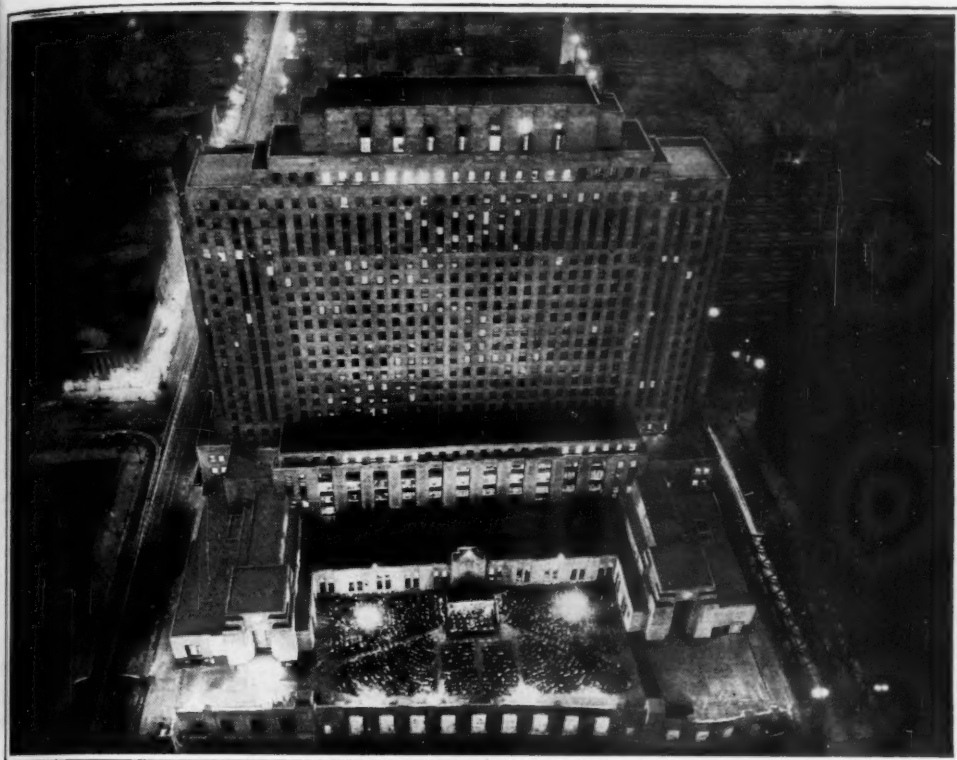
AT the general session to be held Thursday morning, May 1, two subjects of vital concern to business men and the public generally will be considered—taxation and the stabilization of production and employment. A discussion of resolutions will follow.

The final general session Thursday afternoon will be addressed by the president of the Canadian Chamber of Commerce, J. H. Woods, of Alberta, and the reports of the committees on credentials, nominations and resolutions will be considered. Adjournment will follow the election of directors and action on the resolutions.

The annual dinner, closing event on the three-day program, will be held that evening, with Richard F. Grant, president of the Lehigh Valley Coal Corporation and former president of the National Chamber, presiding.

As usual, the program committee is making arrangements for sight-seeing trips and other activities for the entertainment of the ladies during the business sessions of the meeting.

.... CHICAGO



A flashlight photograph of Daily News Plaza, Chicago, showing a typical crowd at the evening concerts conducted by The Chicago Daily News during 1929 to choose a leader for the Chicago Centennial Exposition band. Many famous conductors competed in this series and an average of 6,000 people attended each of the forty contests.

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THE CHICAGO DAILY NEWS

CHICAGO'S HOME NEWSPAPER

I Want More and Better Injunctions

A Farmer Expresses Some Views on a Labor Bill

TO THE EDITOR:

Every once in a while I see some piece in the papers that riles me up and then I sit down and write a letter to the editor which affords me some relief. But I saw one item today that seems extra portentous. While I realize that you and your readers may be tempted to laugh at the thought that a farmer should attempt to break into your select society, I believe I am right in my deductions.

Now the piece I read tells about a meeting of the American Federation of Labor and is headed "Labor Drafts Bill to Curb the Courts." It tells how their amendments and modifications would limit the equity powers of the courts in issuing injunctions and would set aside injunctions now in effect and not conforming with its provisions. If adopted, this proposed measure, it is contended, would remedy many of labor's injunction grievances by invalidating such Supreme Court decisions as that in the Bedford Cut Stone case.

Say courts usurp authority

THESE fellows argue, Mr. Editor, that the courts usurped the authority which they exercised in issuing such orders, or wilfully abused the powers which they possessed by improperly issuing them against conduct not illegal in itself.

They claim, too, that the right to earn a living through the pursuit of any lawful occupation or to conduct any particular business at any place, or at all, is a personal and not property right, and, therefore, not entitled to the protection of a court of equity.

Naturally, under their interpretation of the law the right to work, the right to employ or be employed, to engage in any occupation or profession, are not property rights nor should they be protected as such against assault or invasion. Only the physical fruit of human effort is to receive and is worthy of the protection of the law.

Consequently, under this hypothesis my land would be perfectly safe, cause it can't be dug up nor carried away, but my right to till it, harvest a crop, hire a farm hand or otherwise use my

farm ain't property and, if subject to attack, I am powerless.

This viewpoint of the law, of course, is highly antagonistic to every historic and traditional conception of the founders of our Government and at variance to all decisions of the courts.

This same viewpoint was entertained by labor's advocates in Great Britain. But Parliament took special pains to pass a law empowering its Attorney General to employ the equity powers of their courts to enforce the rights of the public and made it a penal offense to incite or compel participation in illegal strikes. Parenthetically, this law forbids, under penalty, picketing of a home or residence in any form. It requires those in the public service to recognize a paramount obligation to remain unaffiliated with private organizations which may undertake to enforce employment demands by interrupting public service.

This law, also, places upon the public employee an individual responsibility under penalty to see that his withdrawal from that service does not imperil the society which he had voluntarily elected to serve.

In this respect Great Britain has gone further in regulating labor combinations than has ever been proposed by law or sustained by judicial interpretation in this country.

Now allow me to return, Mr. Editor, to this news item and expatiate on that section which says the proposed bill will correct such decisions as those in the Bedford Cut Stone matter, which case, by the way, is celebrated from many different angles and its termination quite contrary to the hopes and wishes of this Federation.

Trouble in distant cities

NOW the Bedford Cut Stone Co., engaged in quarrying and fabricating limestone in Indiana, had some trouble with its employees who quit, as they had undoubtedly a perfect right to do. Then the management got other help and undertook to continue business as usual, thinking that the owners and operators could conduct their plants as best suited their best interests.

However, numerous bodies affiliated with this Federation did not share these views.

The Bedford Company soon discovered that when its stone output reached distant cities trouble arose. Men and firms, having contracts to construct buildings, were warned to leave this limestone alone or suffer the consequences, and the Federation's carpenters, masons, plumbers, and electricians throughout the country were not permitted to work in or on any building where this firm's product was being used.

They had no kick coming

OF COURSE, these different craftsmen or artisans had no kick coming with their local bosses as to hours of labor or wages, but they were peeved cause a lot of unorganized fellows out in Indiana were trying to make a living.

While it's quite unnecessary for me to go into details as to the activities at different construction centers, I must recount that in New York City, where a consignment of this Indiana limestone had been installed in a certain building by a contractor gifted with great temerity, a ukase was issued to have it pulled out and this stone was yanked out of that structure, thrown on the sidewalk and eventually found its way to the ocean's bottom!

At this point the Bedford people went to the courts and hollered. They said their output was being curtailed through the unlawful activities of this Federation and asked for relief.

The Supreme Court held that the strikes, ordered and carried out with the sole object of preventing the use and installation of the Bedford product in other states destroyed their trade. The court held, also, that the means adopted by the Federation are unlawful and that the innocent general character of the labor combinations adopting them cannot serve as a justification.

And so as this decision cripples the activities of the Federation they naturally desire it set aside.

What presumption, says I.

—HOMER M. GREEN



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FIFTH, because important raw materials such as coal, iron, wood, nickel, food-stuffs, are either right at hand or can be obtained cheaply.

SIXTH, because New York has unlimited capital available for home industry. This state pays more than one-fourth of all the income and miscellaneous taxes collected by the federal government.

SEVENTH, because the climate is ideal for industry. Employees work at maximum year-round efficiency where the temperature averages about 50 degrees, as in New York State.

If you would like detailed information without a personal follow-up, write for new booklet, "New York, the Industrial State." Address Niagara Hudson Power Corporation, Albany, N. Y.

This book interestingly describes the specific industrial advantages of the territory served by Niagara Hudson, which includes among many others the localities listed below:

Skilled labor is plentiful, happy, productive—with a higher output per worker than almost any state in the union.

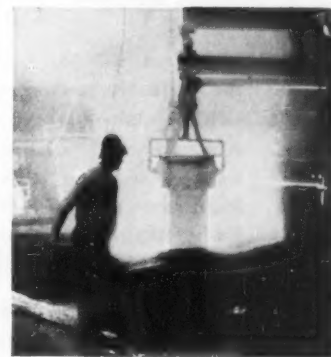
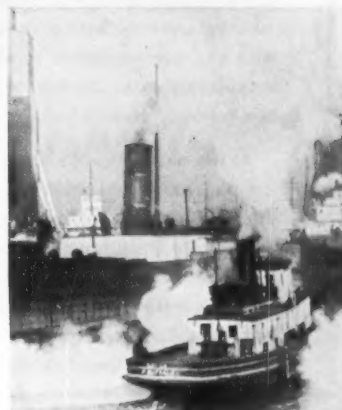
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Morris, Patriot and Bankrupt

(Continued from page 38)

indicated by their voluminous correspondence, is one of the neglected episodes in American history.

Nicholson died December 5, 1800, at the age of 40 when a prisoner with Morris in Prune Street debtors' prison. Even while he was in jail he was active. To pay his prison expenses, he published, for a while, a paper with the appropriate title "The Supporter or Daily Repast." But prison life was fatal to him. His debts, it is said, aggregated 12 million dollars.

To put through their land schemes Morris and Nicholson formed companies. As these associations were unincorporated, the lands they owned were usually assigned to trustees. Shares were then issued, each representing a pro rata equity in the trustee property.

The first of these companies formed by Nicholson, the Pennsylvania Population Company, controlled about 450,000 acres lying north and west of the Alleghany River. The Asylum Company of Pennsylvania designed for purchase by French émigrés was another in which Morris and Nicholson had a share. Their greatest venture was the North American Land Company, probably the largest land trust ever known in the United States if the railroad grants after the Civil War are excluded from this category. The last concern formed by Morris was The Pennsylvania Property Company, organized during his financial distress to take over some of his unencumbered real estate holdings.

A new opportunity comes

WHILE Morris was becoming interested with Nicholson in the western Pennsylvania lands he had an opportunity to purchase one of the most important tracts of unsettled territory within the original 13 states. Because of the indefiniteness of colonial charters, both Massachusetts and New York claimed the western section of New York State. The Indians also claimed it, and their title was given first recognition. New York settled the dispute by granting Massachusetts the "preemption right" (right to "buy" from the Indians) in return for the latter's surrender of political authority over the region.

Massachusetts thus found itself in 1786 owning more than five million acres of noncontiguous territory. As

the state was bankrupt, the proposal to exchange this territory for outstanding obligations was readily accepted. Oliver Phelps, of Granville, Mass., who had helped procure supplies for the army, contracted, in association with Nathaniel Gorham, to purchase the region for 300,000 pounds payable in depreciated Massachusetts scrip. They succeeded in 1788, with the aid of rum and trinkets, in clearing the Indian title to about two million acres, but before their final payments were made Alexander Hamilton had put into effect the Federal assumption of state debts.

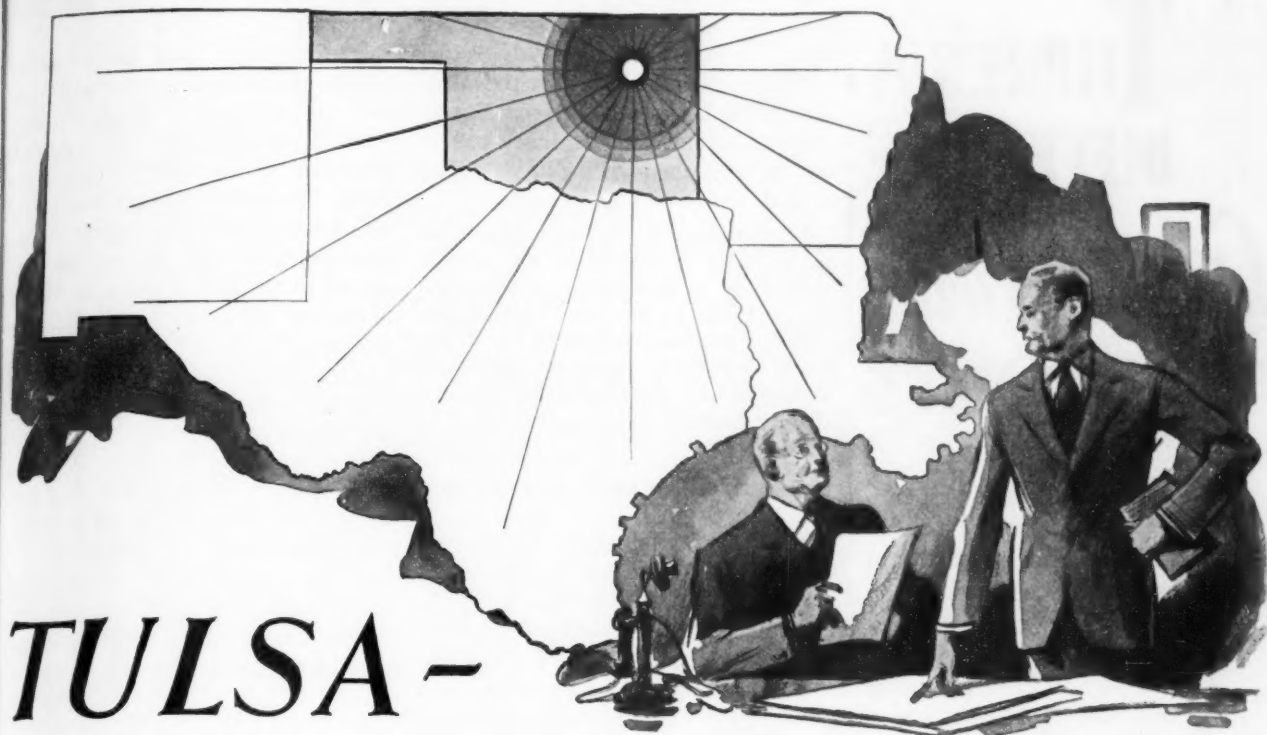
Nearly doubles his money

THE consequent rise in the value of Massachusetts certificates of indebtedness greatly enhanced the purchase price and forced Gorham and Phelps to compromise with Massachusetts. They were given title to about one-third of their original purchase, most of which Morris subsequently purchased for 30,000 pounds, New York currency, and resold to Sir William Pultney for almost twice that sum. Morris later purchased the other two-thirds through an agent directly from Massachusetts.

The acquisition of a tract of four million acres, notwithstanding the low cost of lands at the time, was too much for a man of even Morris' affluence. Associated with him as silent partners were other speculators among them, Gouverneur Morris, Samuel Ogden, R. Soderstrom and William Constable. He also succeeded in mortgaging a part to an agent of Sir William Pultney.

Morris immediately set to work to use his European connections to dispose of his vast purchase commonly known as "the Genesee Country." He was handicapped in passing title, however, because he had only acquired the right of "pre-emption." It was necessary to get a bill of sale from the Indian owners. Before long he had persuaded Peter Cassanove, agent of a group of Dutch capitalists, to take over the whole purchase, except an easterly strip of about half million acres. This unsold section became known for a while as "The Morris Reserve."

The Dutch purchasers immediately organized the Holland Company as owner of the tract. Morris and his associates are reported to have paid 30,000 pounds for the lands he purchased from Massachusetts. He sold them for



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Yet not only are these things true but it is also true that Oklahoma's natural resources are barely scratched. Oklahoma today is a veritable "promised land" of undeveloped wealth. Roger W. Babson, after making an exhaustive industrial survey of 20 Southern states, recently stated that Oklahoma and one other Southern state are destined for leadership of the South, industrially.

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tends to concentrate in that area of which Tulsa is the heart. That part of Oklahoma lying within a 90-mile radius of Tulsa constitutes 33% of the state's surface but produces 59% of its wealth. This area contains approximately half of the state's population, has 65% of its paved highways, makes 65% of its income tax returns.

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more than double this price, but the expense of buying off the Indians cut down the profit considerably.

Morris was encouraged by the swiftness of his Genesee land deals. But he felt that he had been too hasty in selling. In 1800 when writing of his affairs he said:

If I had contented myself with those Genesee purchases, and employed my time in disposing of the land to the best advantage, I believe that at this day I should have been the wealthiest citizen of the United States. That things have gone otherwise I lament more on account of others than on my own account.

Extended his land operations

AFTER his Genesee deals, Morris rapidly extended his land operations. In February, 1795, he, Nicholson and a new partner, James Greenleaf, organized the North American Land Company.

Greenleaf, scion of a prominent and prolific New England stock of Huguenot origin, had amassed a comfortable fortune in the mercantile business as a partner of James Watson, a well-known capitalist of Hartford and New York. Early in his business career he and his partner speculated sporadically in land. But his shipping business required his presence abroad, so in 1786 he went to Holland. Here he cultivated close relationships with Dutch speculators in American debts.

Through the Amsterdam banking house of Daniel Crommelin & Sons he negotiated a series of loans aggregating \$1,300,000 on pledge of United States bonds and United States Bank shares.

In 1793 Greenleaf was made American consul at Amsterdam, but, returning the same year to America, he was again attracted by the prospect of profitable land speculation, particularly in the federal city of Washington.

His partner refusing to join in his proposed ventures, he sought a new connection. Greenleaf thought he knew the Dutch speculative psychology, and had confidence in his own ability to raise funds in Holland by pledge of his Washington lots and other land purchases.

America's first boom town

AT LEAST he convinced Morris of this and the latter, together with Nicholson, feeling the need of foreign support, unhesitatingly joined in his Washington syndicate. They accordingly became heavily involved in America's first "boom" town. It was this unfortunate venture which culminated in the organi-

zation of the North American Land Company.

The company was unincorporated and its property was conveyed to trustees, one of whom was Thomas Willing, Morris's former partner and at the time President of the first United States Bank. The capital, three million dollars was divided into 30,000 shares. An annual dividend of six per cent was guaranteed on the shares jointly by Morris, Nicholson and Greenleaf. The promoters turned over their land holdings to the company at 50 cents an acre, so that the total acreage was estimated at six million acres.

It may have been more or less, as surveys were indefinite and, what was worse, titles were not clear. The acreage was in six states, and about a third was worthless Georgia pine barrens which were Morris's contribution to the pool.

Oberholzer, his biographer, claims that Morris bought them from an heir of the Comte D'Estaing to whom a grant was made by the Georgia colonial authorities.

Pushed by their creditors

THE three promoters, having formed their land trust, were soon forced through the importunities of their creditors, to try to dispose of the vast acreage. They could accomplish little because of the general shortage of cash which prevailed after the Revolution.

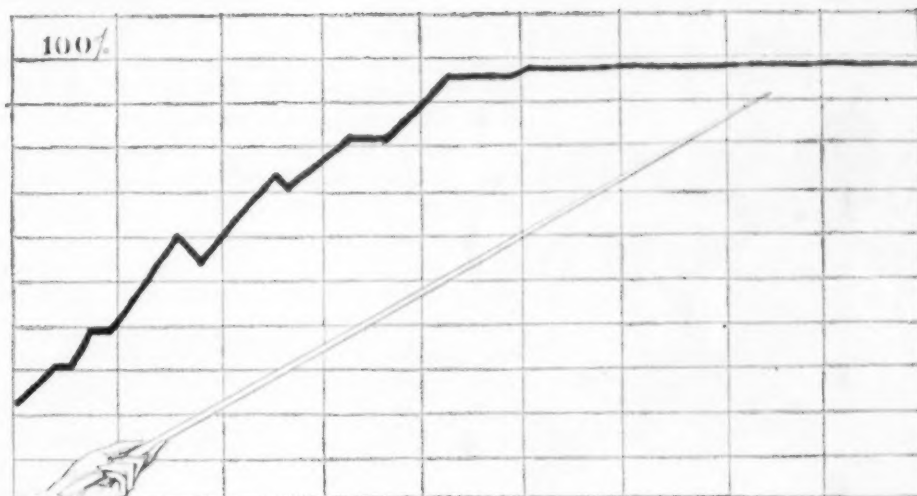
The greatest efforts were made to encourage foreign purchasers. For this purpose, Morris sent Gouverneur Morris, William Temple Franklin, a son of Benjamin Franklin, and his own son, Thomas Morris, abroad. Alluring descriptions of America had been widely published in England and in Europe.

Unfortunately little European interest could be stirred up in American lands. Greenleaf was expected to return to Holland and obtain loans on land pledges, but was prevented because of the French invasion of Holland.

Another blow to the hopes of the speculators were the warnings sent out to prospective French purchasers by Joseph Fauchet, French Minister to the United States, especially respecting the character of the Georgia lands of the North American Land Company.

Morris felt compelled to answer "Citizen" Fouchet in a letter dated June 10, 1795, to the Philadelphia "Daily Advertiser," in which he defended his title to the Georgia lands and praised their character.

Failure breeds conflict. Greenleaf's inability to negotiate loans on the triumvirate's lots in the embryonic fed-



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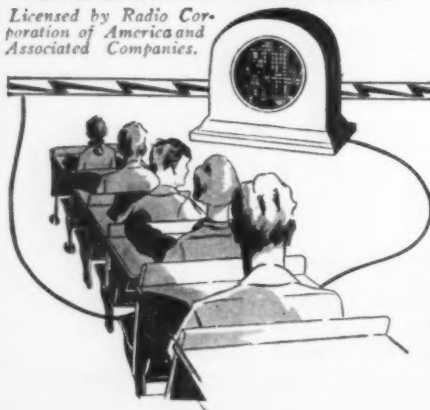
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eral city threw them into a financial abyss. Unable to meet the second installment as required by the terms of purchase, they were forced to surrender a large part of Greenleaf's original purchase of 6,000 lots. Then followed a split up of their holdings. Morris and Nicholson bought out Greenleaf's share in July, 1795.

About the same time, Greenleaf sold his interest in the North American Land Company to his partners for \$1,150,000. Payment was made by Morris and Nicholson in drafts on each other. These drafts were later secured by pledge of Morris and Nicholson's lots in Washington. The mortgage was to be cancelled when the notes were paid, but payment was never made. Within a year all three partners were in dire financial straits and soon all landed in prison.

A rancorous controversy

GREENLEAF continued years thereafter to claim an interest in the assets of the North American Land Company. A newspaper controversy of rancorous bitterness resulted between Morris and Nicholson on one hand and Greenleaf on the other.

The struggle of Morris and Nicholson to keep out of prison marks one of the most tragic scenes in American financial annals.

Kept within their homes by their creditors, the "cormorants," who, armed with writs of attachment, camped in their gardens and on their doorsteps and watched their every move, the partners maintained communication with one another through the secret interchange of notes.

Humor and pathos, rancor and regret, hope and despair, were commingled in them. On August 29, 1796, Robert Morris wrote Nicholson from "The Hills," his country place on the Schuylkill:

"We must work like men to clear away these accursed incumbrances to satisfy the Cormorants."

On October 25, 1797, he wrote in a less courageous vein:

"Two hundred thousand acres of my land in North Carolina, which cost me \$27,000, are sold for a year's taxes. By heaven, there is no bearing of these things. I believe I shall go mad."

The somber march to prison

FINALLY, in January, 1798, when he was preparing for his somber march to Prune Street Prison, he informed Nicholson mournfully that, "Confidence has furled her banners, which no longer wave over the heads of M. and N."

Morris went to Prune Street Prison February 16, 1798. Nicholson, despite the fact that Morris taunted him for being a "great and sometimes good lawyer," soon joined him.

Morris was a big man in person as well as in deeds. His sufferings in the dingy and overcrowded debtors' jail can hardly be exaggerated. After four days of prison life he wrote:

My confinement has thus far been attended with disagreeable and uncomfortable circumstances for having no particular place allotted to me. I feel myself an intruder in every place I go. I sleep in another person's bed. I occupy other people's rooms, and if I attempt to sit down to write it is at the interruption and inconvenience of some one who has acquired a prior right thereto.

Thus suffered the patriot and financier of the Revolution. Despite his political prominence, he received little sympathy. Many claimed to have been financially ruined through their confidence in him. His debtors were relentless. But the truly great men of the day did not forget him.

Washington, on one of his trips from Mount Vernon to Philadelphia, was a dinner guest at Prune Street. Gouverneur Morris also did not desert his old friend and associate.

Morris was released from prison August 26, 1801, after slightly more than three and a half years. Sixty-eight years old and broken in spirit he made no attempt to recoup his fortune. Gouverneur Morris obtained from the Holland Company an annuity of \$1,500 for Mrs. Morris for release for her dower rights in the Genesee lands.

Lean, low-spirited and poor

ON THIS meager income he lived in his declining years. Gouverneur Morris records in 1803 that his poor friend, Robert, visited him at Morrisiana, "lean, low-spirited and as poor as a commission of bankruptcy can make a man."

But, he also notes, "I sent him home fat, sleek, in good spirits and possessed of the means of living comfortably the rest of his days." He died in May, 1806.

Parks Custis, Washington's stepson is authority for the statement that the Father of his Country, when solicited to become a partner in the North American Land Company, cautioned Morris against his speculations, to which Morris answered, "I can never do things in the small, I must be either a man or a mouse."

We can readily conjecture which he felt himself during the long years behind the doors of Prune Street Prison.

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When Government goes into Business

By DR. ADOLPHE JOHR

Member, the Direction Generale du Credit Suisse, Zurich

★ IN SWITZERLAND the Government supplies more than three-quarters of the country's electric power; operates railroads, communication services and absorbs 40 per cent of the insurance business. ¶ Here if anywhere, government operation has been given a thorough trial. And Dr. Johr, a well qualified observer, sees only one result—failure

POLITICAL economists have praised Switzerland as the laboratory of Europe for both social and economic policy. The pride felt by the Swiss at this eulogy is unfortunately qualified by the memory of the ravages which experiments inevitably inflict on a living body.

For several decades the Confederation, the cantons and the municipalities, each with considerable autonomy, have, under pressure brought by political parties, striven zealously to pass each other on the road leading to the nationalization of all public enterprises capable of being termed "public utilities."

After the political rights of the people had extended in a brief period so far as to include the direct election of governments, and after the initiative and referendum had been introduced, there remained no object for the parties to attain except "nationalization" on the ground of alleged general interest.

Thus, three-quarters of Switzerland's electrical power is supplied by public enterprise. All the main railways are held by the State, and most other standard, narrow gauge and tramway lines are in whole or in part operated by public authorities. The State also controls the postal, telegraph and telephone services. In nearly all the cantons there is a state bank, and such banks hold, as their balance sheets show, a third of the capital deposited with Swiss banks. Moreover, the State absorbs at least 40 per cent of the country's insurance business.

In Switzerland, as in fact everywhere, the war brought the economic power of the State to its culminating point. A

market reaction then set in. Monopolies and establishments created in war time were abolished.

On several previous occasions the common sense of the people had opposed the "nationalizing" tendencies of politicians. The plan of a state bank of issue was rejected in 1897, and in its stead the National Bank was created in 1907, the capital of which was subscribed by the cantons and by private interests. The people also rejected the match monopoly. The idea of a tobacco monopoly, played with for many years by the various public authorities, had to be given up and was replaced by a heavy tobacco tax.

A movement, more and more felt in recent times, aims at withdrawing the operation of public enterprises from government hands to grant them a wide measure of autonomy, even including joint stock companies.

Commercial and industrial interests look upon this movement with favor, and will not fail to show their approval if what is actually intended is to apply the business methods of private enterprises, and to use the experience gained by their directors, and if the legal form of joint stock company is not preferred solely to serve as a screen for political operations that cannot be controlled.

Is a state a good business

SWISS trade and industry is willing to recognize the good that certain public enterprises have done and are still doing for the country. But they do feel that the good results have been obtained

not because of but in spite of the public character of such enterprises.

I do not believe I will be contradicted if I lay down as a general rule that state enterprises, just as any others, ought to be operated along sound commercial lines. In fact, the law itself often compels public enterprises to act in accordance with the best business practice. The real question at issue is whether they can.

Politics, not efficiency

THE first obstacle lies in the laws and ordinances upon which state enterprises are founded. Such rules are not usually made on a basis of business reasoning, but on political differences and compromises. They inevitably hamper the free action of public enterprises, and can only be modified with difficulty and loss of time.

The second obstacle is a bureaucratic superposition of authorities. The authorities at the head of public utilities in a Swiss town have been indicated to me as follows:

The manager of the enterprise; a member of the executive authority that acts as an organ of immediate control; the municipal enterprise committee, in an advisory capacity; the municipal board, as the responsible body; the municipal parliament, as legislative authority; a special parliamentary commission, as authority in matters of a preparatory nature; the people, supreme municipal authority; the government of the canton and subsidiary bodies, as a supervising authority and court of appeal.

The consequence of such a heaping up of authorities is inefficiency of the bodies that really manage and are responsible for the enterprise. This phenomenon runs parallel with a distrust of officials, and the origin of that feeling is thoroughly democratic.

A democratic Bible could never open with the words "In the beginning was action," but with "In the beginning was a committee." Hand in hand with

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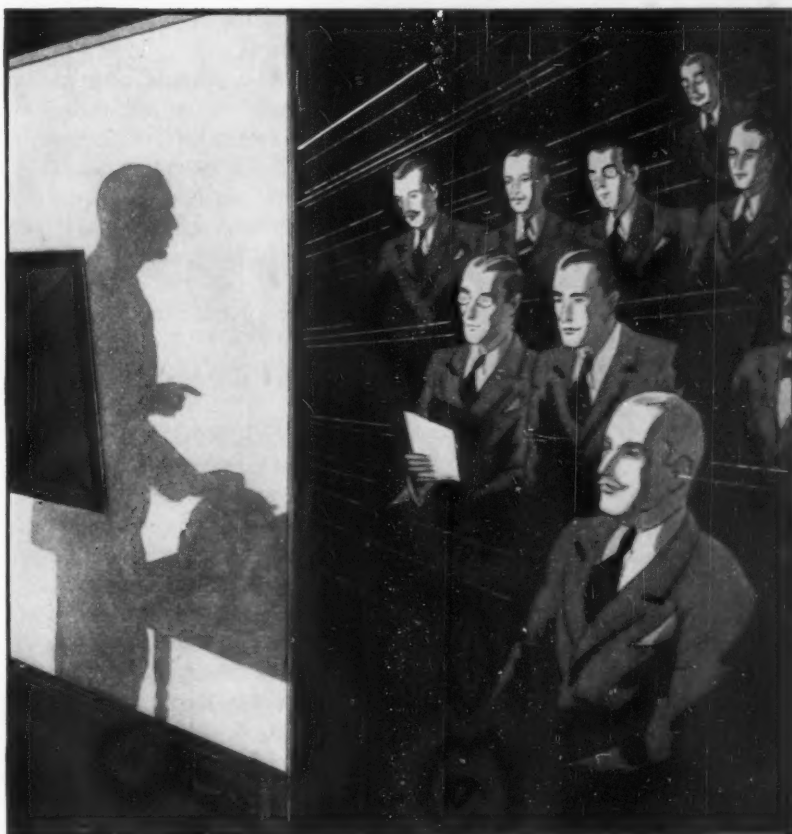
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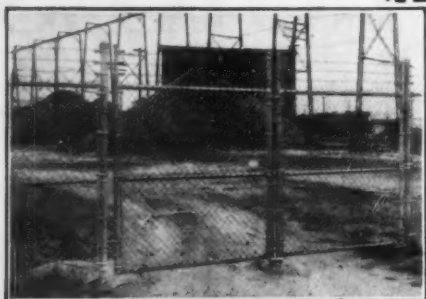


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inefficiency goes dread of responsibility, and that leads to a worship of the most pernicious idol an enterprise can set before itself, precedent.

Where the manager of a private enterprise makes a deliberate decision, relying on his past experience and confident that his judgment is right, the head of a public enterprise, hampered at every turn by laws and standards, consults the regulations and hunts for precedents.

Allowance must also be made for the meddling of all those who busy themselves with public welfare, members of the executive authority, members of parliament, secretaries of associations, officials of federations, editors of newspapers, and all the thousands of political reformers of which democracy has always had its fill.

Many discouragements to face

SWITZERLAND has never lacked men of great capability to devote themselves to the arduous and ungrateful task of managing public enterprises. If we consider the numberless difficulties they have had to face, we shall not be surprised that in time even the most worthy have given way to discouragement. How could the manager responsible for the state railway have the courage to economize on operation when Parliament habitually goes beyond his most reasonable proposals as regards wages and shortens the working hours of employees in a time of deficit?

Even when influential men are called from government posts to direct such enterprises, the old and easy habits of authority, which according to their temperament find expression in kindly request or abrupt command, often enough sway the conduct of their business operations. In this way, economic authorities join with political authorities armed with power almost as extensive as their own.

State operations are favored

THE exercise of such power is all the easier for state operations because they are as a rule based on a monopoly or enjoy extensive privileges secured to them by the State, tax exemptions, stamp duties, and the like. From the point of view of competition these privileges give them favored treatment and make it difficult if not impossible to compare their results with those of private enterprises.

Brought into the world by politics, public enterprises in a democratic state

remain before all, and in whatever form they may take, instruments in the hands of public authority. How can we expect the representatives of the people to resist the temptation to increase their popularity by constructing new railway lines, particularly new tunnels under the Alps, new stations and post offices? They are equally tempted to increase their prestige by establishing new communications and new stops for through trains and by defending the interests of state employees. Such political interference has cost us dearly.

Many calls for state aid

IT IS an unfortunate fact that along with the extension of state and municipal industrial operation, continually widening circles of industrial and technical interests find that their development depends on deliveries effected by the State, and are thus led to solicit state help in cases where a self-respecting private business should make it a point of honor not to depend on external aid.

However, in my opinion the greatest drawback to public operation lies in the fact that, when all is said and done, it is the taxpayer who bears the risks.

A private enterprise established on an unsound foundation and run on uneconomic lines loses its capital as well as its profits, and faces bankruptcy if it cannot begin again on an economic basis. On the other hand, public operation, as the State itself, is of its very nature permanent, and taxpayers are obliged to pay for the crockery broken by those in control.

The wellspring of revenues

PRIVATE economic activity is the source of the most abundant state revenues. "Nationalization" of any kind undermines the very foundation of taxation to the detriment of the State, and only affords a compensation when the enterprise is operated less on an economic than on a fiscal basis.

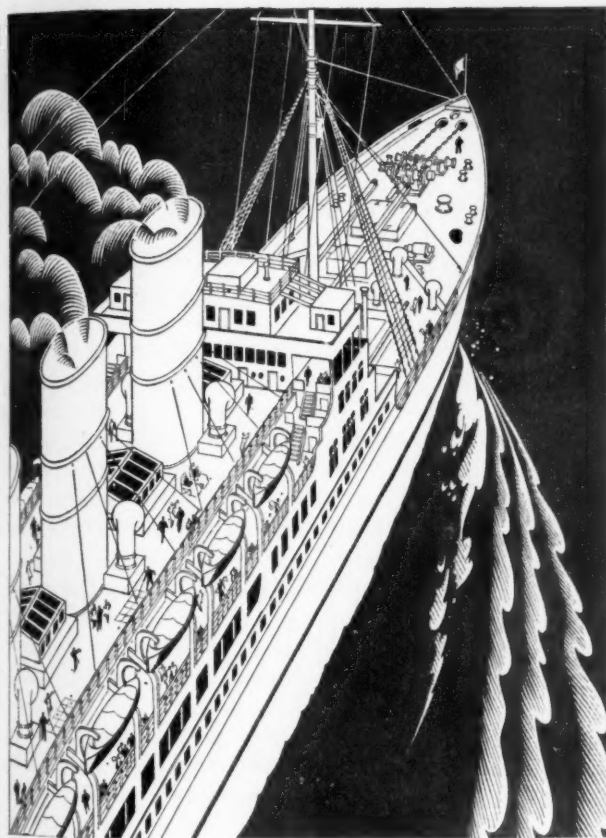
The economic and technical progress realized during the last century was the work not of the State, but of private initiative.

So far the State has never taken the trouble to discover new methods of production, and only when there is a question of finding new taxes has it shown an inventive spirit.

The country where economic output is unquestionably greatest, I refer to the United States of America, is also a country where public ownership and government monopoly is virtually unknown.



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THE Pacific has its miracle, too! The Orient is coming nearer and nearer. This year, it suddenly looms over the horizon and beckons . . . 1,000 miles nearer the American shore.

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Take the paradise route via Hawaii . . . or the express route, Vancouver and Victoria straight to Yokohama, the fastest Pacific crossing.

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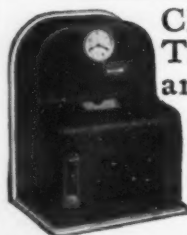
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Over 32 years the choice of thousands of leading organizations. More than 50 models. Factory branches in principal cities.

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Cincinnati Telechron Time Systems Are Entirely Automatic. Plug into any A. C. Socket.

This advertisement appears regularly in leading magazines to keep the name of this Company before you. Write for information.

How to Keep Customers

By IRVING BRANT

FOR three years, sometimes as often as twice a week, I walked past an attractive fruit store to trade at another, equally attractive but not so well located. The reason was this:

After trading for some weeks at the nearer store, I went in one day and asked for some lemons. On seeing them I remarked:

"They look rather green."

The owner of the store replied:

"That shows how much you know about lemons."

Easy to lose customers

IT DID, as I found out five years afterward. It also showed how much he knew about keeping customers. If he had taken half a minute to tell me how lemons are handled, that they are picked green and given their yellow color by a sweating process, he would have had my trade as long as I remained in the city.

A friend of mine, exceedingly unpretentious in manner, experienced a sudden jump in earnings from \$60 to \$400 per week. (Several million people would recognize his name, as the author of a well-known strip cartoon.) A few months later he decided, as some people do under less provocation, to buy a more expensive automobile. So he drove his old car up in front of a magnificent display window and went in. Glancing casually at a sedan, he said to the imposing salesman who stepped up:

"How much will you allow on the car out there?"

The salesman looked out of the window and replied:

"One hundred dollars."

"It's really a pretty fair car," said the cartoonist. "Would you mind stepping out and looking at it?"

The salesman examined his customer from head to foot.

"I guess you aren't very anxious to buy a ———," he remarked.

"No, I am not," agreed my friend.

And walking across the street, he paid \$2,800 cash for another car.

Last year a man took me into his bank to cash a check for me.

"You'd be surprised to know how I come to have an account here," he said.

"When I was moving to the city I had some car trouble and arrived wearing

a mechanic's suit and looking pretty greasy. I parked in front of this bank and stepped inside to look at a telephone directory. An assistant cashier walked the length of the bank to show me where the telephone booth was. I said to myself, 'Where one man acts like that it's the spirit of the institution,' and maybe you think they weren't tickled when I opened an account and told them why I was doing it."

The saying is old, trite and true that trade goes by favor. The managers of department stores and mail-order houses, highly organized and highly competitive, spend a good share of their time figuring out methods by which the building of good will shall permeate every phase of their business. Yet I know of a case in which the general manager of such a store lost an account because he said in the customer's hearing, when a disagreement was referred to him:

"Make a policy adjustment."

The word "policy," with its implication that the customer was making an unfair request, caused him to walk out.

A high degree of good will

THE ideal builder of good will is a professor of psychology belonging to the Masonic order, the Elks and the Knights of Columbus. But the limited supply of such phenomena of dexterity reduces the average business house to dependence on the instincts of the owner and his employees. In other words, the winning of favor is usually a hit-and-miss proposition.

That being the case, is the courteous business man safe in assuming that his spirit is the spirit of his employees? Does courtesy in an employee always reflect the policy of the institution? How is courtesy encouraged and rewarded? Do polite employees naturally gravitate to considerate employers?

Not long ago I was tramping across a golf course in a western state and came upon a man, waiting for his turn at No. 1. He was so absorbed in thought that I remarked:

"What's the matter? Figuring up the real score?"

He laughed and invited me to sit down.

"I've just been through the damndest thing I ever struck," he said. "I had

to let a contract for coal, for a factory. The two lowest bids were just alike, \$6,500, and the owner of one of the companies was a friend of mine. Well, not a friend, but I knew him, and other things being equal I would have given him the contract.

"I was walking along down town when somebody yelled at me:

"Look out! What's the matter with you? Blind?"

Coal-heavers and good will

"THERE was an open coal-hole in the sidewalk, and a coal-heaver was throwing sacks in from a truck. The truck belonged to the bidder I knew. About a minute later I came upon a truck belonging to the other company, with a man throwing sacks into another hole, and it was unguarded, too. I said to the coal-heaver:

"If you'd lay a sack of coal on each side of that hole, there wouldn't be any danger from it."

"He grinned and answered, 'Thanks. That's a good idea. I was worrying about that hole.'

"Well, that incident decided me. I passed up my friend and gave the contract to the company with the polite coal-heaver, and told the manager about the affair.

"About two weeks later I was walking down the street, and saw this polite coal-heaver driving a truck for the other company. I stopped to ask him about it.

"I'll tell you," he said. 'After you went out the boss called me in and made a sort of a speech, telling how the company appreciated me getting it a \$6,500 order. Then he reached into the cash drawer, and made another speech, with all the stenographers looking on, and handed me 50 cents.'

"Thanks," I says. 'I'll buy me a ticket to Honolulu.'

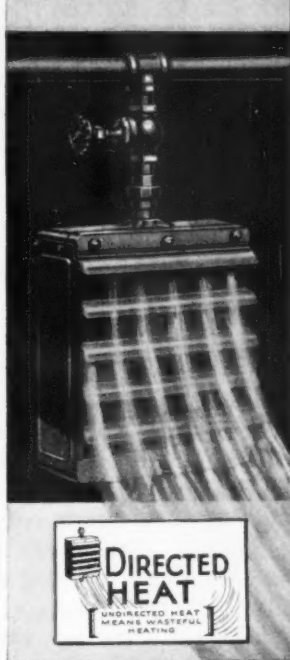
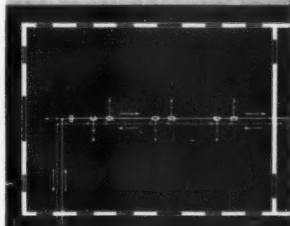
"Just after the next pay day, in walks Joe, the fellow that asked if you was blind. He asked if there was a job laying around loose, says that my boss boasted to his boss about how he got the contract, and his boss had fired him.

"Come back tomorrow morning, Joe," I says to him. 'There'll be a vacancy in the force by that time. And as you really helped him get the contract, maybe he'll give you four bits.'

"Well, Joe's working for my old boss, and I'm working for his old boss. That's all there is to it."

"Now," concluded the manufacturer, "where do I come in on that?"

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heating. They deliver heated air down
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Modines are adaptable to all types of
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installation. Here, a single steamline and
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A
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Coolies unloading a shipment of five American airplanes from barges at Hankow

PHOTO FROM ANDREW R. BOONE

Aviation Turns Toward the Orient

By ALFRED P. RECK

AVIATION has moved to the Orient.

From Rangoon to Mandalay, where the dawn comes up like thunder, can be heard the drone of commercial airplanes, heavily laden with passengers and mail.

In Japan, aviation no longer regarded as a strictly military science, has taken a new lease on life.

China, awakened, has turned to the air to speed transportation and the progress of Western civilization.

Air lines join Chosen, or Korea, with Japan and China.

Siam, with its widely scattered centers of population, is preparing for rapid development of air transportation.

Persia, a country of great distances and few highways, is looking to the airplane to accomplish for it what the automobile and paved roads have accomplished for other countries.

In the Straits Settlements seaplanes churn the waters where for centuries only junks held sway, and picturesque Singapore boasts of the only light-sea-plane club in the world.

The Orient has turned air-minded, thereby opening a new and extensive

field for the sale of aircraft and equipment. Airplane manufacturers of the world are looking to countries of the rising sun for a rich harvest in trade.

Stern competition has developed, with America, Britain, France and Germany striving to gain first footholds in the business of supplying the Orient with means of flying.

American firms already active

WITH a realization of America's quick dominance of the automobile trade fresh in mind, other countries are moving rapidly to prevent a repetition in the airplane industry. But American manufacturers have been wide awake to the possibilities in the Orient.

At least six American aircraft cor-

porations have representatives actually in the field, demonstrating American planes and soliciting business. Other companies have started correspondence with Oriental trade representatives to sound out market conditions, while the British, French and Germans are permitting no grass to grow under their feet.

In China the Curtiss-Robertson Corporation, of St. Louis, under arrangements with the Chinese Government, will maintain a training school for instruction of Chinese pilots and will act as business representative for the sale of Curtiss-Robertson planes in China. A rapid development of Chinese air-mail routes was anticipated by that company through a contract negotiated last October with the Chinese Government which called for the operation of 50 planes on three trunk-line routes. This contract, however, was cancelled by the Government after having run

- A NEW note shatters the age-old silence of the jungle. A Chinese farmer straightens from his rice paddy to peer into the sky. A Japanese fisherman tosses imprecations aloft as a swelling roar disturbs his questing cormorants. In short, aviation has come to the Orient, bringing with it new ideas and new opportunities

We've put RUBBER HEELS

on B & O cars



THE RUBBER HEEL is symbolic of the riding comfort made possible by placing rubber pads in the wheel trucks.

ONE of our people—as often happens with us—brought forward an unusual suggestion that makes for even greater smoothness in the riding comfort of our trains.

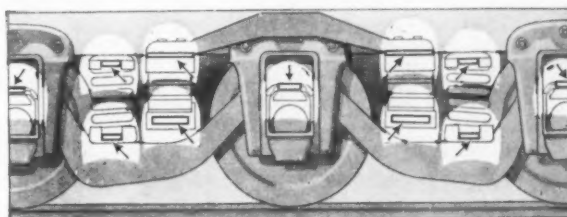
You know the shock-absorbing qualities of rubber heels. Well, this simple idea is being applied to Baltimore & Ohio cars. Each truck has fifty-one rubber pads placed at points where the frame rests and at spring ends—wherever metal touches metal. You really ride on rubber over polished steel rails.

It sounds smooth, and it is... wonderfully so.

We have a firm conviction that if travelers are given a smooth joltless ride, if they can relax and read without strain, the chances are they will remember the trip as a restful experience and want to ride on our road again.

To increase the number of such friends is one reason we have spent over 400 millions to improve the service of our road. And by the thoughtful attention of our employees we try to make every journey a pleasure.

We hope this latest effort—to give you a comfortable ride by putting *rubber heels* on our cars—will appeal to you. Won't you ride with us soon and see how thoroughly restful it is?

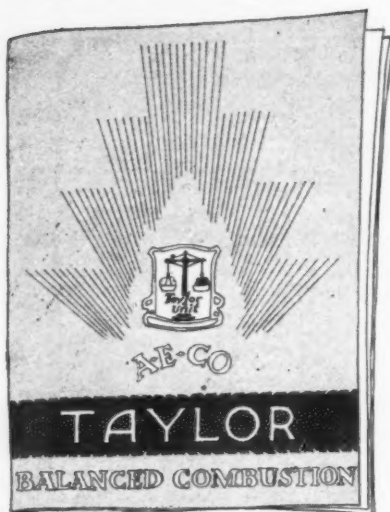


Standard Pullman six-wheel trucks used on Baltimore & Ohio cars. And to make riding even smoother we are putting rubber pads at the spring ends and wherever metal touches metal on all B & O passenger cars. This tends to eliminate vibration and make riding more restful.

The
B&O

BALTIMORE & OHIO

\$100,000
a year
saved—



This book of the
TAYLOR
STOKER

Tells about the fuel-burning machine that enabled a big paper mill to effect a saving that ran into six figures annually when it modernized its power plant.

Tells about a combustion system that effects tremendous economies because it burns coal as it comes from the mine with maximum efficiency.

Tells how steam capacity is increased by installing modern Taylor Stokers under old boilers without the necessity of adding new units.

Tells how maintenance is reduced, operating troubles ended and smoke eliminated by the Taylor Stoker.

Tells about a system of fuel-burning so flexible that you can bank a boiler indefinitely, then handle a peak load in a few minutes.

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When writing please mention Nation's Business

for four months. American-made planes find ready acceptance in China, but some opposition is voiced to foreign-operated lines.

Foreign aircraft companies have had a difficult task in breaking into the airplane trade in Japan. For a long time, that country sought to build up an airplane industry of its own.

Japanese companies constructed planes, more or less satisfactory, patterned after French and British models. Recently, however, the Japan Aerial Transport Company, one of the largest commercial operators in the Orient, broke away from the use of Japanese-made planes and ordered six Super-Universal Fokker monoplanes from the United States and six Fokker F-7-3M's, equipped with Wright Whirlwind motors, from the Netherlands.

These Fokker machines will be used in a passenger-mail service between Japan and China and Chosen. Once again American planes and American engines beat foreign competition in the Orient.

Japanese attitude has changed

JAPAN has been backward in the development of commercial aviation, as the airplane until recently was regarded as a military weapon. Now, however, the Government has relinquished this view and Japanese commercial flying is expected to set a pace second to none in the Orient.

The air mail already is being flown between Osaka and Tokyo and Osaka and Oita. Passenger service has been established from Osaka to Tokyo to Fukuoka to Oita and from Tokyo to Sendai.

As soon as the Fokker planes are delivered to the Japan Aerial Transport Company, service will open from Japan to China and Chosen.

Extensive government aid will be given commercial flying in Japan. Approximately \$600,000 is to be spent on airways in 1929-30; the same amount in 1930-31 and nearly \$700,000 in 1931-32. During the next 11 years that government contemplates subsidizing the aircraft industry to the extent of \$10,000,000.

Radio-beacon stations have been established at Tokyo, Bakone, Nara, Osaka and Fukuoka. Route marks have been placed at eight places between Tokyo and Fukuoka. Five meteorological stations, to assure accurate weather forecasting, will be placed in operation. The only existing one is at Onogawa.

At present there are 42 civil airports and landing fields in Japan. None, how-

ever, is equipped for landings at night. Unquestionably, Japan is preparing to go into commercial aviation in a big way, offering a great potential field for the sale of American aircraft and flying equipment.

The Chosenese Government is making plans for the opening of extensive air lanes. Airports are being laid out and eight landmarks have been erected to guide flyers across country from the Manchurian border.

Siam has taken readily to aerial transportation. Airports have been built at Donmuang, Chiang Mai and Ubon. These are equipped with customs facilities and other necessities for civil aircraft.

The Siamese Government and the people are deeply interested in aviation and official assurances have been given of fullest cooperation with foreign air-transport companies desiring to operate in Siam.

Special arrangements have been made for the transportation of air mail from Siam to Europe. Over this land of temples and jeweled idols, where the most dignified method of travel is by elephant-back, multi-motored planes of the Royal Air Navigation Company of the Netherlands speed on their way between Holland and the Dutch East Indies.

Dutch planes with Dutch pilots almost weekly cross jungle land never touched by feet of white men. These pilots, who connect the mother country with its island possessions, will stop at Bangkok to pick up Siamese mail destined for European cities.

The Straits Settlements have no regular air service at present but the Eastern Airways Limited has proposed to the colonial government the establishment of passenger and mail service daily between Singapore, Port Swettenham and Penang, a distance of 425 miles. The Imperial Airways Limited of London also is expected to connect Rangoon and other points in India with Penang. Ultimately the Straits Settlements will be a link in the proposed air service between Great Britain and Australia.

Negotiations are under way with the Netherlands East Indies Company to connect the Straits Settlements by air with the Dutch East Indies.

Dutch East Indies aids move

THE civil government of the Dutch East Indies appropriated approximately \$500,000 for air transport promotion last year. Daily service is provided between Batavia and Bandoeng and Ba-

A HILL in the HEART OF SEATTLE

...moves to the sea

**How
GOODRICH
CONVEYOR BELTS**
*are helping a city
remove an obstacle that
blocked its progress*



Steel barges receive dirt and rock from Goodrich Conveyor Belt, then take it to the sea

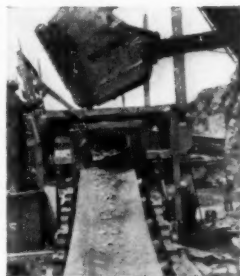


Above photograph shows Goodrich Conveyor Belts in Operation at Denny Hill

TWO years ago, Seattle faced a problem. The city was growing... its business section expanding. But blocking the way was Denny Hill... a hill several blocks long on each side.

Seattle decided to amputate Denny Hill. Decided to cut it away... dump it in the sea. The question became "How?"

An elaborate system of belt conveyors, designed by the Link-Belt Company, was the answer. Electric shovels were put to work. Portable conveyors were set to carrying dirt and rock to a main disposal point. Then,



through several blocks of Seattle's business section, in an elevated covered way, other belts were erected to carry the dirt to waiting barges.

Seattle began to amputate Denny Hill months ago. By this summer, the project will be completed, at a cost of two and a half millions.

Contributing materially to the success of the operation is the fact that the approximately two miles of belting on which the whole system relies are Goodrich conveyor

belting made on the Highflex principle.

This Goodrich principle involves a method of construction which materially lengthens belt life and reduces wear. It is one of the many Goodrich developments which give Goodrich products specific fitness to specific conditions.

Goodrich maintains a special Industrial Research Committee whose work it is to help apply these principles as well as devise new ones. Executives are invited to correspond with Committee Chairman.

The B. F. Goodrich Rubber Company, Established 1870, Akron, Ohio.

CONVEYOR BELTING

Another **B.F. Goodrich** Product

32,000 rubber articles, representing more than a thousand distinct rubber products—Goodrich Silvertowns • Zippers • Rubber Footwear • Drug Sundries • Soles • Heels • Hose • Belting • Packing • Molded Goods.

When writing to THE B. F. GOODRICH RUBBER COMPANY please mention Nation's Business



You and Wire Rope

Although you may never travel by sea, ocean transportation is as necessary to your economic life as rail transportation. Yet the mammoth steel ship of today scarcely could be built without the great strength that is encompassed within the comparatively small diameter of wire rope.

Nor could the cargoes of these ocean liners be handled so quickly and economically without this flexible means of connecting power and load.

For over a half century this company has made wire rope exclusively. And in Yellow Strand Wire Rope, we believe we have attained the finest balance of strength, flexibility and resistance to wear ever developed in a rope for heavy duty. Long life and great economy are the natural result.

This company also makes all standard grades of wire rope.

Broderick & Bascom Rope Co.
St. Louis, Mo.

Eastern Office and Warehouse: 68 Washington St., New York
Southern Warehouse: Houston, Texas

Western Offices: Seattle and Portland, Ore. *Factories:* St. Louis and Seattle

*B. & B. Aerial Wire
Rope Tramways are
an economical means
of transportation under
many conditions.
Investigate!*

Yellow Strand WIRE ROPE

When writing to BRODERICK & BASCOM ROPE CO. please mention Nation's Business

tavia and Femarang. This service will be extended to Singapore *via* Palembang and Sedan. Additional airport facilities and equipment are being planned.

In India, the British Government is the most active in the development of aviation and at present most of the flying is military.

However, increased interest in commercial sports flying has led to numerous subsidies from the Government. An appropriation of \$108,000 was made last year to aid private flying clubs at Calcutta, Madras and Karachi.

More than \$100,000 has been spent for the improvement of a commercial airport at Dum Dum, near Calcutta. This is expected to be an important center of Indian and international air traffic. The British Government has also expended \$350,000 for an airport site near Bombay, in addition to purchasing a seaplane base at Rangoon.

Weekly commercial service connecting Karachi and Delhi and ultimately Calcutta is in the offing. The National Airways Limited has been formed for the purpose of opening land and seaplane service between Rangoon and Calcutta.

Other contemplated air services will connect Bombay and Karachi, Bombay and Calcutta, and Bombay and Madras.

The Imperial Airways Limited is contemplating a through service from London to Karachi by the way of Basel, Switzerland, and points in Italy, Greece and Egypt. Test runs have been made over this route.

Persian airports are good

PERSIA, the connecting country between Orient and Occident, has made rapid progress in the development of the air-transport business. Regular air services are maintained from Teheran and Bashire, Teheran and Pehlevi and Teheran and Kasr-i-Shirin, on the Iraq frontier, where train connection is made to Bagdad.

Thirteen Persian cities boast of well-equipped airports, in addition to those on the regular routes. The Teheran field is said to be equal to the best in Europe.

The Orient has taken to aviation with an eagerness second only to the desire of American and foreign companies to sell planes in that section of the world.

Oriental governments, realizing the benefits to be gained by rapid transportation, apparently are willing to go the limit in cooperating with reliable foreign companies.

Arbitration Is Progressing

TO the list of trade associations co-operating with the American Arbitration Association for the speedy and economical settlement of business controversies, the Steel Founders' Society of America, Inc., representing the steel castings plants of the country, has recently been added. Other associations that have taken this action for the use of arbitration in commercial disputes include the American Zinc Institute, Lead Industries Association, National Coal Association, the Wool Institute, National Retail Dry Goods, National Association of Purchasing Agents, New York Building Congress, the Automobile Merchants Association and others.

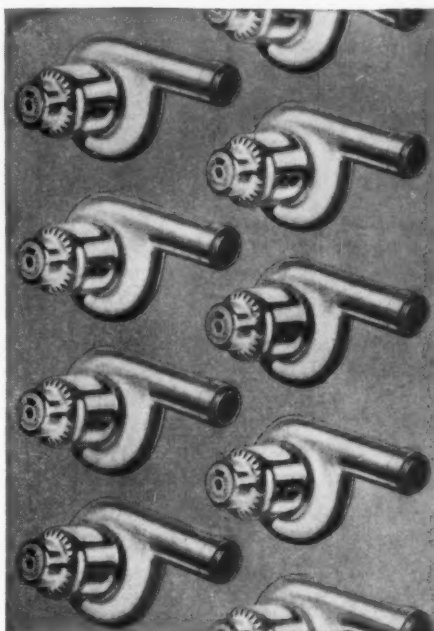
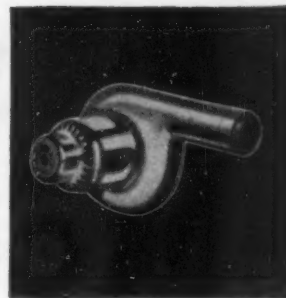
The arrangement between the Steel Founders' Society and the American Arbitration Association may be taken as a typical one. By it the Society accepts the arbitration rules of the association and recommends to its members that an arbitration clause be incorporated in the latter's purchase and sales contracts. This clause provides that any contract or claim arising out of the contract shall be settled by arbitration in accordance with the rules of the Association and that judgment upon the award rendered may be entered in the highest court of the forum, state or federal, having jurisdiction.

In order more quickly to promote the use of arbitration, the Society requests its members to submit to its managing director all applications for facilities for arbitration, so that he may enlist the cooperation of the American Arbitration Association.

Settlements in short time

THE Association, on its part, agrees to provide any member of the Society with the necessary facilities and the services of its staff for the conduct of any arbitration and places at the Society's disposal the Association's National Panel of Arbitrators. This Panel is composed of some 7,000 men, located in more than 1,700 industrial centers. These men, leaders in their fields, serve without compensation when called upon to do so. These facilities and services are made available to participants in the plan without charge, save for nominal fees covering actual expenses incurred in the hearings.

Meeting New Buying Habits with New Production Ideas <<



This electric hair dryer case is a typical example of G. P. & F. engineering skill in fitting a product to meet new demands. Stamped from aluminum and highly finished, the hair dryer housing is light in weight and has the neat appearance and beauty necessary for modern sales success.

Let G. P. & F. Help Fit Your Product into This New Scheme of Things

EVERYWHERE it is in evidence . . . the swift changes taking place in the world of goods and things.

Expensive machinery and equipment is being revamped or discarded for new so that new buying habits . . . new demands for more harmonious-looking products of lighter weight and greater strength . . . can be met successfully.

Avoid either of these costly expenses and delays. Whether you have your own stamping department or have this work done for you by others, G. P. & F. can aid you in revamping your product to fit into the new scheme of things.

The half century experience in the art of pressed metal fabrication which is behind G. P. & F. engineers is at your service.

The 19-acre G. P. & F. plant with every known facility for economical production via short-cuts, and ingenious mass production methods, is your assurance of lowest possible prices.

In short G. P. & F. can shoulder the entire burden from the blue-print stage to the finished product or part . . . at no expense to you for equipment or man-power.

Let G. P. & F. engineers know your problems whether it is one of redesign or lower production costs.

GEUDER, PAESCHKE & FREY CO.

Sales Representatives in Principal Cities in

All Parts of the Country

1371 St. Paul Ave., Milwaukee, Wis.

G. P. & F. STAMPINGS



19 ACRES OF FLOOR SPACE

GEUDER, PAESCHKE & FREY CO.
1371 St. Paul Ave., Milwaukee, Wis.

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• A Complete Index

cross referenced, of the subjects covered by Nation's Business in 1929 is now ready for distribution. It will make your back numbers of the magazine a valuable and easily reached source of useful information. *Sent free on request.*

NATION'S BUSINESS • Washington

John Wanamaker, Master Builder

A review of a new biography of the great merchant

By WILBUR B. CRANE

"I TOOK down an enormous sheet of paper and wrote down on it all the different things I thought I should like to be. I remember it all very clearly to this day. I put down architect because I had always been interested in the making of buildings. I put down journalist and doctor and clergyman—the latter a vocation which my mother was very anxious to have me take up. After several others which I do not now recall, I wrote merchant. One by one I went over the list and after careful deliberation struck out various words for one reason or another. Finally *merchant* was left and I turned my attention seriously to work."

Thus wrote John Wanamaker late in his life, explaining how he hit upon the career which was to establish him as the country's most remarkable pioneer merchant. A comprehensive biography¹ of the man has just been written by one of his associates, Joseph H. Appel, author of "Africa's White Magic," "A World Cruise Log" and others. It is a work generously interlarded with excerpts from Wanamaker's own writings and with comments of contemporaries.

A long, dramatic struggle

"LET us do things—do things." The burning, eager spirit which wrote those words is factually portrayed through nearly five hundred pages of records of achievements of a varied sort. "To make records." That was the expressed desire of this peculiarly American genius who throughout his eighty-odd years burned with zealous determination. Beginning with less than two years' schooling, his life was a long-drawn-out and dramatic struggle. When his busy life came to a close in 1922, he had established himself as the most outstanding and influential merchant the world has known.

¹The *Business Biography of John Wanamaker, Founder and Builder*, by Joseph H. Appel, New York. The Macmillan Company 1930. \$5.

To many the outlines of his career will not be news. How he fought his way through panics and wars and upsets makes a stirring narrative which perhaps bears more repetition than it gets. The present volume goes deeper into the mind of the man than former biographies. The author gives a logical explanation of his chief's career, which he reads in the merchant's spiritual nature.

Background of religion

THE writer cites Prof. N. S. B. Gras of Harvard Business School as follows:

"The religious background of John Wanamaker is an interesting and important one. According to a theory worked out by Werner Sombart, now of the University of Berlin, there is a real connection between the development of the modern spirit of capitalistic enterprise and the progress of Calvinism. While Catholicism, Anglicanism, and Lutheranism were staid, dignified religions, Calvinism was a religion of enthusiasm, fervor and hustling. Anyone, therefore, who has a Presbyterian training is likely to have a religious background favorable to capitalism. Calvinism seems to assume or perhaps even assert that work is next to godliness and that man should keep books when dealing with the Deity. Strict accountability with God helps in keeping books with man. It might be expected that there would arise out of this form of Protestantism, therefore, a great capacity for work and for saving. Indeed, Wanamaker seems to have been the embodiment of capitalism, getting the necessary religious zeal from his Presbyterian affiliations. According to the theory of Sombart, Calvinism is most like Judaism—Calvinists and Jews have the religious fervor necessary for capitalistic enterprise."

Founder of Sunday Schools and supporter of Young Men's Christian Associations, Wanamaker throughout his life was active as a front-rank layman. His money, his time, his thought, his enthusiasm were all enlisted in the service of religion, and his religion he

brought over into his business. As an innovator in the field of merchandising, he is without a peer. Seldom did he accept the obvious as the only way.

To his early contemporaries he was "Pious John," a queer sort of fellow who was forever trying some new stunt. His unbreakable will, which made him a somewhat stern individualist, was simply a manifestation of the faith that behind him and allied with him was a great Power which must triumph.

In 1886, a New York merchant naively remarked that Wanamaker was on the right track in telling the truth about goods, and that they would all of them come to it yet. Advertising owes no little to the merchant for his faith in it as an aid to sales. He recorded that of his first day's sales of \$24.69, he put the sixty-nine cents in the cash drawer for the next day's change, and spent the \$24 for advertising.

A believer in advertising

ALWAYS he had a good word for advertising, but insisted that it should be of a high ethical grade. His editorials on merchandising, which appeared as part of the regular store advertising in both New York and Philadelphia, have been collected. Many of them are reprinted in Mr. Appel's work. Many advertising men credit Wanamaker with showing the way, during the 'eighties, for national advertising campaigns which were to follow.

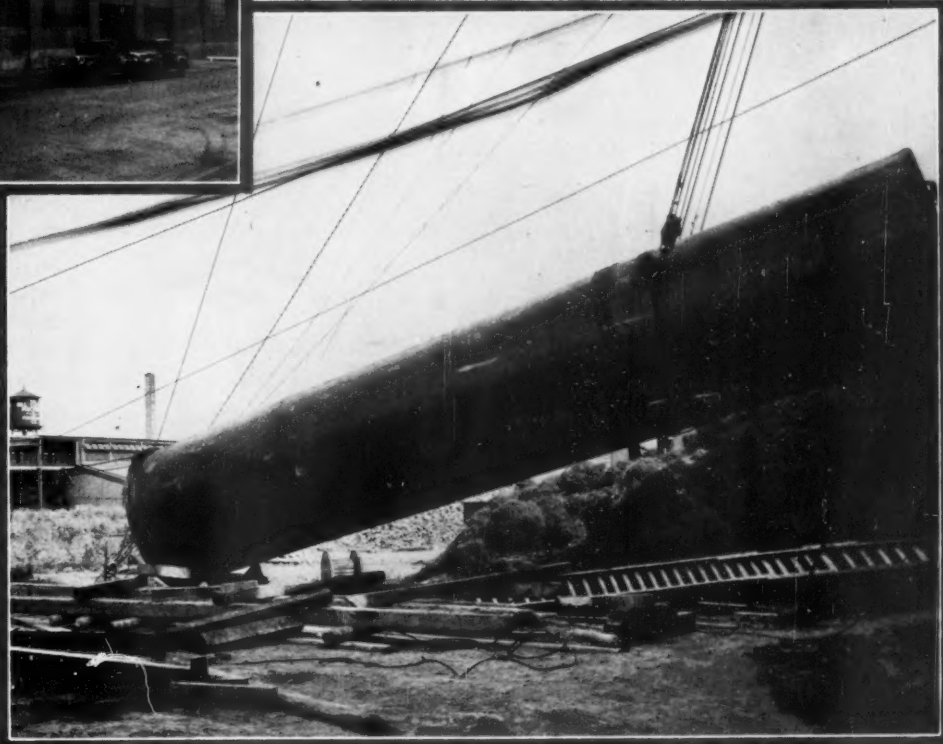
An impressive list of the enterprises in which Wanamaker was the first to begin is included, taking up twenty pages. In it may be traced the regular and rapid growth of departments within the stores. In the face of varied external conditions, expansion went on uninterruptedly.

Electric lighting, ventilation systems, employee instruction, reading and rest rooms, elevators, employee insurance, full-page newspaper advertisements, European buyers, guaranteed materials and qualities, summer vacations with pay, store restaurant, million-dollar sales, information bureaus, Saturday half-holi-



*When Ferguson engineers
leave the job, production starts.
No lost time—no lost motion.
Nothing need be left for you to
do except to turn on the power.*

*More than 8,000 of the country's
leading executives are regular
readers of the Ferguson Cross Sec-
tion—a monthly magazine dealing
with timely business and engineer-
ing topics. A request on your letter-
head will bring it to you gratis.*



FERGUSON engineers have demonstrated to many of America's leading industries that it is possible to save one-fourth to one-third the time usually required to design, build, and equip a complete manufacturing unit. ¶ They shorten the gap between the original idea and the completed project by handling every detail of design, construction and equipment within one experienced organization and under one responsibility. ¶ The progressive manufacturers for whom Ferguson builds, save months of profitable production time which are lost to concerns that still split the responsibility among a number of unrelated organizations.

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Every Wednesday—Corned Beef Hash

Every Wednesday at Hotel Cleveland there's a gathering of the clans...those chosen souls who know the joy of good corned beef hash.

Try it once and you'll begin to look forward to Wednesdays, for here's the way our chef prepares it . . . Selected shoulder corned beef, all lean, and cut fine. Mealy Idaho potatoes boiled and diced. Chopped onions browned in golden creamery butter. Meat, potatoes and onions mixed, thick cream stirred in, and the whole slowly boiled for an hour. And there you have a dish fit for a king!

Every Wednesday busy men and women travel clear across town for this delicacy, and once you try it you'll say any journey would be worth making with Hotel Cleveland's corned beef hash as the reward at the end.

TAKE ALL THE TIME YOU LIKE

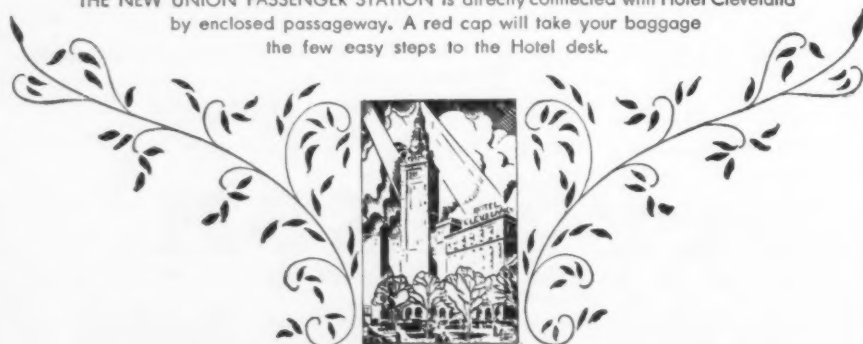
When you lunch or dine at the Cleveland, you are in every sense a guest of the Hotel. Take all the time you want . . . no one will hurry you. We try to make every dish so delicious that even the most simple meal becomes an occasion to linger over and enjoy. But when you are in a hurry, tell the captain, and you'll get the speediest kind of service.

HOTEL CLEVELAND

PUBLIC SQUARE ~ CLEVELAND

1000 ROOMS, 150 OF THEM AT \$3

THE NEW UNION PASSENGER STATION is directly connected with Hotel Cleveland by enclosed passageway. A red cap will take your baggage the few easy steps to the Hotel desk.



When writing to HOTEL CLEVELAND please mention Nation's Business

day, style shows, a savings bank, exhibitions, store library, boys' military training, Christmas bonuses, fixed prices—these were but a few of the host of innovations brought into merchandising by John Wanamaker before the present century opened.

His first venture into retailing was at Oak Hall in Philadelphia in 1861. Men's and boys' clothing formed the basis for the myriad of stocks which were to be added later. Not yet had Wanamaker turned twenty-three and the Civil War was just beginning. Yet he did not hesitate.

The enterprise grew. Branches were opened in Pittsburgh, Baltimore, Richmond, St. Louis, Memphis, and Louisville a decade later, but all were sold out or closed because he was unable to give personal supervision.

The grand depot—and New York

NEXT came the Grand Depot, purchased from the Pennsylvania Railroad in 1875, in Philadelphia. Soon this was departmentalized, and from then on his progress was more rapid. During the 'eighties and 'nineties, departments were added at the rate of three or four a year. In 1896, the New York opening took place, to the consternation of Manhattan merchants. New quarters were soon necessary. The old A. T. Stewart store had been taken over, so that in building a new store next to it, Wanamaker felt that he was linking his own progress with that of Stewart.

Wanamaker in action the author records as follows: "There were the lightning flashes of genius. But there was always the steady flow of the electric like current of life seeking to create new forms of human service to meet new conditions. Like a tree sending its roots through the soil, twisting and turning and sometimes doubling on their tracks, John Wanamaker went around and above and below obstacles, when he couldn't plow through them, or blast them out of his way. He hesitated not in changing his course, nor even his opinion or decision, if a new road would lead him to a higher service. He kept true to his ideals, but he followed any method of justice and truth to attain those ideals.

"The driving force within him kept him going on and on and up and up, with a steadiness and constancy that was the marvel of his associates."

The tone of the book is admirable. The author quite evidently is in hearty sympathy with his character, but seldom does he sentimentalize.

handling takes to the air

In hundreds of plants **LOUDEN MONORAIL HANDLING** *saves 20% to 1000%*

WHEN both use the floor, production and handling are sure to tangle . . . sure to encroach on each other in many places. Here, a machine projects too far and a clogged aisle results. There, an aisle of necessary width takes room that production needs.

What is the answer? Production cannot move but handling can . . . to the unused ceiling. And many advantages other than saved space result when Louden Monorail Handling is installed. Handling is faster . . . by fewer men. Louden Monorail does both the lifting and the carrying. Men merely push, or follow along, or ride . . . according to the system needed in the plant.

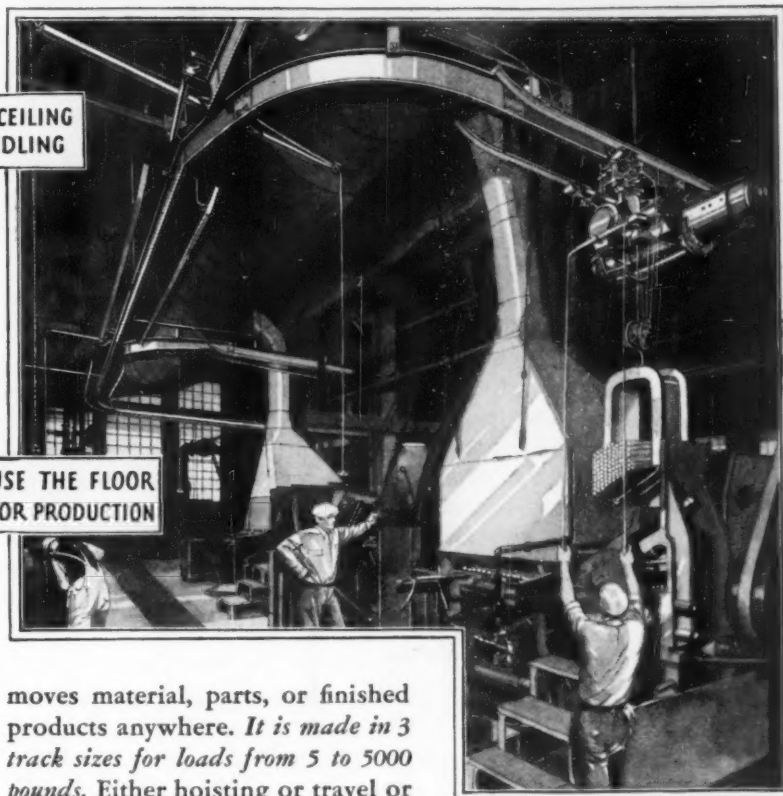
Breakage from jolts and collisions is radically reduced. The most fragile objects are safe on Louden racks, hooks, etc. . . . designed by Louden Engineers for any need.

Floor maintenance chargeable to the wear and tear of truck wheels is eliminated. In fact, Louden Monorail Handling entails no additional expense to detract from the clear savings enjoyed by every Louden user . . . savings that pay for a Louden Monorail installation in from 2 to 60 months.

Any plant can have Louden Monorail Handling . . . without changing layout, eliminating inclines or cutting wider doors. By the load, or in a steady stream, a Louden Monorail

USE THE CEILING
FOR HANDLING

USE THE FLOOR
FOR PRODUCTION



moves material, parts, or finished products anywhere. *It is made in 3 track sizes for loads from 5 to 5000 pounds.* Either hoisting or travel or both can be manual or electric as desired. Inexperienced labor can install a Louden Monorail . . . but in planning the best arrangement, Louden Engineers with their long practical experience can be of invaluable help to you. You will not be obligated by requesting their help.

THE LOUDEN MACHINERY CO.
Established 1867
600 West Avenue Fairfield, Iowa
Offices in Principal Cities

LOUDEN
Industrial Monorail Systems

Industry Uses More Miles of Louden

Louden Monorail conveying bolt stock to bolt making machine and placing it in hopper without hand labor. The special stock carrier has drop bottom which is tripped automatically when close to bottom of hopper.

SUPER-TRACK is the key to lower handling costs

Every man interested in material handling should have this booklet. It shows why the newest Louden development, "SUPER-TRACK" saves time and money, both in installation and in use. Write for a copy today.



USE THE OTHER HALF OF YOUR FACTORY

(A-1701)

When writing to THE LOUDEN MACHINERY CO. please mention Nation's Business

WHAT I'VE BEEN READING

By WILLIAM FEATHER

OCCASIONALLY in the last few years the *American Mercury* has published articles by James M. Cain, a newspaper man, now employed as an editorial writer by the *New York World*. These pieces invariably gave spice to the issue in which they appeared. The form in which they were cast follows so closely the studies in "The Book of Burlesques," one of H. L. Mencken's earliest and best undertakings, that for some time I thought Cain must be a pseudonym for Mencken.

Every uplifter and serious citizen in the United States should obtain a copy of Cain's book "Our Government,"¹ and read it from cover to cover. It is a study of government in the concrete.

Scores of heavy volumes have flowed from the presses, and the theory and form of government have been debated by the professors. Charters and constitutions have been written and rewritten. We have attacked the evils of government by the introduction of civil service, primaries, election of judges, initiative and referendum, recall, proportional voting, home rule, and municipal ownership.

But somehow we have failed to improve the quality of the men who govern us. We alter our charters, but when the votes are counted the same old gang is back on the pay roll, and the dreary task of making government efficient must begin all over again.

Cain tells us what our government actually is, and not what it was intended to be, or what it ought to be, or what it might be if it were only better.

He presents a true and vivid picture of the men who pass our laws, educate our children, police our streets, spend our money, build our monumental city halls and bridges, and deal out our justice. It is unnecessary to have been a newspaper reporter to know that these sketches are accurate; anyone who has

ever served as a member of a civic committee, appeared for trial in a police court, done a term as a juror, or even applied for a marriage license will instantly identify the characters in "Our Government" as true to life.

The picture is ugly, but if you are a realist you will not be offended. You will probably wonder what causes government to function as well as it does considering the caliber of the human material in charge. The only explanation I have been able to make is that most of the constructive work is done by lobbyists who represent business and humanitarian interests. These people, whether their motives be selfish or unselfish, know what they want. They write the laws, check the budgets, conduct surveys, and finally bring order out of chaos.

Included in Cain's studies are the President of the United States, a governor, a legislature, a court of justice, a board of county commissioners, a school system, a sheriff, city aldermen, and the Army.

RALPH W. GWINN, vice president of the J. C. Penney-Gwinn Corporation, owner of chain stores, paid Charles W. Wood \$3,000 on the understanding that he would visit some small town in America where there seemed to be a chain-store problem and discover what was happening to human life. The results of the study when completed were to be submitted, not to Mr. Gwinn, but to Mr. Wood's publishers. "The Passing of Normalcy"² contains the report.

Marion, Ohio, with a population of about 30,000, was chosen for the survey. It was the home of former President Harding, popularizer of the word "normalcy."

What Wood noted and observed is admirably presented. The facts serve as a peg on which he hangs much philosophy touching such subjects as divorce, wages, competition, growth of

population, automobiles, home cooking, moving pictures, and home ownership.

Wood, for example, wonders whether the home owners in Marion are wise. When the non-homeowner loses his job or becomes dissatisfied with conditions he gets into his automobile and looks for a job in another town. The workers who are anchored to Marion by homes are at the mercy of the local employers who sometimes do not hesitate to import labor from Kentucky. That's one reason why home ownership is decreasing.

The booster spirit is strong in towns like Marion. Everybody seems to want a large population, although Wood was unable to perceive that anyone was a certain gainer from a larger population or a new factory, except possibly a seller of building sites. What Marion and all other towns really want is an employed population, a wealth-producing population. It wants only those industries that can thrive in Marion. It wants only those people in Marion who can thrive there. Misfit people and misfit industries would be a handicap.

The assertion that chain stores "take money out of the town" is shown to be without foundation, but the charge that the chain stores fail to discharge their civic obligations is admitted, and the managements are criticized. The owners of the chains are also criticized for opening so many stores that they are getting in each other's way. The rapid multiplication of the chains is leading to cut-throat competition. The economic gain which they brought to thousands of communities is in danger of disappearing. Wood is hopeful that the National Chain Store Association, organized last year, may bring order out of chaos.

Wood calls upon the management of the chain stores to face their obligations manfully and apply their intelligence to the solution of the problems that face America. The biggest of these problems is how to make life more abundant for all the people. By improving merchandising methods and lowering prices the chains have already done something. They must continue on the job, and

¹Our Government, by James M. Cain. Alfred A. Knopf, New York. \$2.50.

²The Passing of Normalcy, by Charles W. Wood. B. C. Forbes Publishing Co., New York City. \$3.

ROY HOWARD

Chairman of the Board
Scripps-Howard
Newspapers . . .

says —————



"IT STEPS-UP STAFF-EFFICIENCY
WHILE KEEPING OVERHEAD DOWN"

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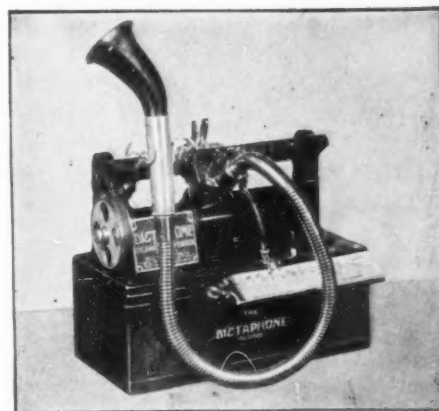
"That in itself," he concludes, "is sufficient merit to warrant its adoption. But there is besides... Dictaphone economy! By minimizing effort and establishing a sane routine it cuts overhead down to bed rock."

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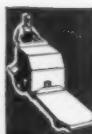
The illustration above shows how a Pennsylvania iron company has reduced its unskilled labor cost by means of Elwell-Parker Electric Trucks. At the suggestion of an Elwell-Parker Engineer who made a survey of the plant, four pot charging electric tractors were designed and installed for use in the foundry. The four trucks together handled 2500 tons of material a day. One man on a Tractor performed ten times as much work as before. From reduced labor cost alone, *the entire Elwell-Parker system returned its cost in less than four months*. Savings made since are clear profits.

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help to coordinate all activities in order that everyone may get the most out of living.

Through study and a sincere desire to solve problems, Wood is hopeful that Big Business will lift life to a higher level for all the people in big towns and small towns.

Many institutions are crumbling. Others will follow. Restaurants, automobiles, good roads, and the economic opportunities of women are upsetting family traditions. Instead of resisting the change we must adjust ourselves to it.

THE title of "Adventurous America" by Edwin Mims appealed to me, and the reading of the book has caused me to become enthusiastic. Rarely has the underlying spirit of this nation been so sympathetically considered. Two chapters, "A New Type of Business Man" and "The Other Side of Main Street," present aspects of our civilization more intelligently than anything I have encountered in a couple of years.

Professor Mims perceives that the nonsense and follies of the American people are merely surface expressions. Something new and fine is developing in this country. Says Professor Mims:

"With Herbert Hoover, an engineer and later Secretary of the Department of Commerce, as President of the United States; with Charles G. Dawes, a banker and but recently Vice President, as Ambassador to Great Britain; with Dwight Morrow as Ambassador to Mexico, undertaking one of the most difficult tasks of diplomacy; with Owen D. Young and his colleagues, J. P. Morgan and Thomas W. Lamont, all of them leaders in Big Business, just returned from a highly successful unofficial mission to Paris, business may be said to be looking up, even in the political life of America and of the world."

His tributes to Henry Ford, John D. Rockefeller, Jr., Owen D. Young, and Robert S. Brookings reveal an unusual understanding and appreciation of the change that is taking place in business life.

When he turns to the "Other Side of Main Street," Professor Mims presents a picture of Nashville that will astonish many who are unfamiliar with the new South. He is equally enlightening and convincing in his appraisal of the cultural activities at Pasadena and Chautauqua. The interests of the people in these places are quite unlike anything

⁸Adventurous America, by Edwin Mims. Charles Scribner's Sons, New York. \$2.50.

to be found elsewhere in the world. On a smaller scale, it is duplicated in hundreds of other American communities. The desire of Americans for self-improvement is deep and vigorous. Sophisticates may be amused but their amusement is due to their provincialism.

Let those whose faith in American civilization is occasionally weakened by anti-evolution laws and tabloid newspapers turn to the pages of "Adventurous America." The conclusions of the realistic observer who here speaks his mind are stimulating, even exciting.

AN amusing feature of "The Dance of the Machines," by Edward J. O'Brien, is that he quotes from a letter written by Samuel Butler in 1863, in which Butler says, "Day by day the machines are gaining ground upon us; day by day we are becoming more subservient to them; more men are daily devoting the energies of their whole lives to the development of mechanical life."

Thus we learn that there were alarmists 67 years ago. That O'Brien should use Butler's words as a keynote for a book published three score and seven years later indicates a lamentable lack of a humorous sense.

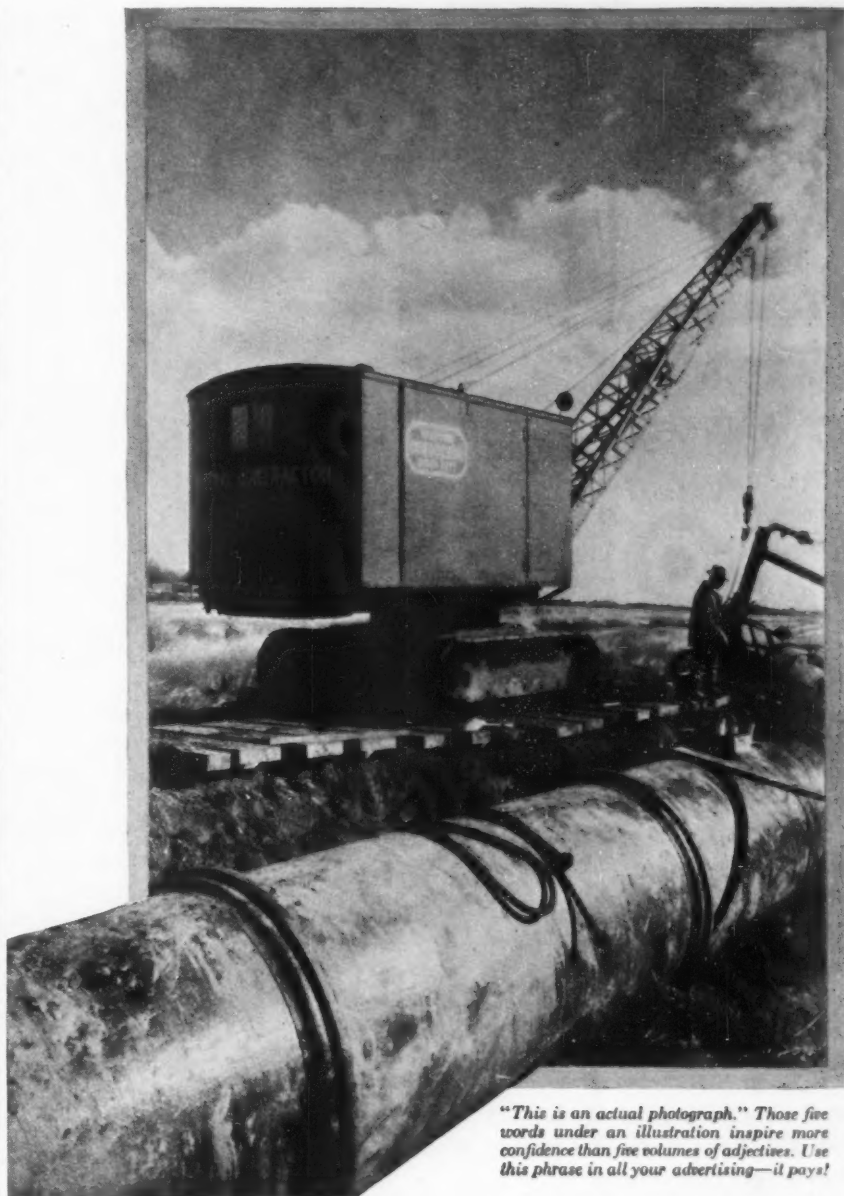
When steel plows were invented some farmers said they poisoned the soil. A century ago other alarmists complained of the speed of traffic in New York City.

O'Brien is the man who publishes each year a selection of the best short stories. He says he reads 150 magazines each month. He fears that the machine has swallowed authors and magazines. Authors are writing to satisfy the hunger of the machines, instead of the hunger of their souls. Editors dictate the pattern of stories, and by offering large prices bribe authors to conform. There are only two American short-story writers today whose work is likely to be remembered a generation hence. They are Sherwood Anderson and Ernest Hemingway. They are, O'Brien says, as significant in the history of the American short story as Eugene O'Neill is significant in the history of the American drama or the late Charles S. Peirce in the history of American philosophy.

I fear that O'Brien is not an adventurer. Nor is he a good philosopher. He struggles laboriously through 250 pages to establish his thesis that machines are making robots of us all, including writers. I found him unconvincing.

Since Samuel Butler issued his warn-

The Dance of the Machines, by Edward J. O'Brien. Macaulay Company. \$2.50.



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ing we have produced some first-class literature in this country and in England, the other mechanized nation. Walt Whitman, Mark Twain, Willa Cather, Theodore Dreiser, George Bernard Shaw, John Galsworthy, Somerset Maugham— to mention just a few. A mass of fiction is produced that is intended to be ephemeral. Great literature is too heavy for a steady diet. That's why some of us occasionally turn to the popular magazines instead of to the Bible and Shakespeare.

FIFTEEN women are observed and reviewed by Theodore Dreiser in "A Gallery of Women." They are portraits of real people, done by a first-class reporter and artist. They are vastly superior to the character studies one finds in most novels.

Few contemporary American writers are the equal of Dreiser in ability to present people accurately and vividly. He is concrete, lucid, and sure.

I got keen enjoyment from each of the sketches in this book. Every man probably assumes that there are normal women in the world, notwithstanding that he may never have known one well. None of Dreiser's women seems to conform to the character of that mythical female for whom the Ladies' Home Journal is supposed to be edited. Probably no such person exists. The individuals in Dreiser's studies do exist. They are not the kind of women you read about in books, but the kind you know.

BYRON STEEL, author of "Sir Francis Bacon,"⁶ calls his subject "the first modern mind." This biography, although superficial, is quite readable. Bacon was one of the most interesting men who ever lived. He was a modernist in science because he insisted that all reasoning must be based on facts that had been established by experiment. His principles are being used in a large way today. It takes about 300 years to put over a big idea.

In addition to being a great scientist and philosopher, Bacon was a noted politician, one of the foremost of his day. In addition to that he was an extravagant spender, a royal entertainer, and what, in modern slang, would be called "a big shot." At 60 years he was at the peak of his career. Then he fell

into disgrace, and lost his fortune, but continued his studies.

It is a platitude that if you want something done you must go to a busy man. The work that was compassed by Francis Bacon passes understanding. Whereas most scholars demand peace, solitude, and freedom from detail, this man whose contribution to knowledge was colossal pursued his studies as an avocation. In the same year that he was writing "Novum Organum," he entertained on a scale that caused even the king to shake his head, and he attended to his duties as Lord Chancellor of the Kingdom. He must be classified as one of the dozen wonders of the human race, a genius of the highest order.

"THE Faith of a Worker"⁷ is not a new book. I was led to read it by the impression made on me by "Constructive Citizenship," also by Dr. Jacks.

In "The Faith of a Worker" the author seeks a meaning in life that will satisfy intelligent people. He quotes from Dostoevsky's great novel, "The Brothers":

"You are always thinking of the earth as it exists today," says the Devil. "Well, let me tell you that the earth as it exists today has been repeated millions of times in the past; each time it perished, disintegrated, turned into dust, and decomposed; after that a fresh nebula was formed, then a comet, a new solar system, a new earth. The whole of this evolution has been repeated times without end, always precisely in the same manner down to the minutest details. One is bored to death to think of it."

Dr. Jacks calls this "the lowest depths of pessimism," and then seeks to supply a philosophy that will restore the faith of the ordinary man. His idea is that the salvation of the world lies in work, although he doubts that the kind of work done by a tender of a machine is soul-saving. Art, he says, is simply common work done uncommonly well. The good workman is an artist. He believes that all men may some day qualify as artists.

"Does a man wish to improve himself?" asks Dr. Jacks. "Let him improve his work, and one morning he shall wake up to find himself a better man. There is no other way. And so for the civilization to which he belongs. Within this work lies a means, the likeliest this age affords, for developing, both in so-

⁶A *Gallery of Women*, by Theodore Dreiser. Two volumes. Horace Liveright, New York. \$5.

⁷*Sir Francis Bacon*, by Byron Steel. Doubleday, Doran & Company, Inc. \$2.50.

⁷*The Faith of a Worker*, by L. P. Jacks. George H. Doran Company, New York. \$1.25.



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ciety and in the separate individuals of it, a Spiritual Energy sufficient for the answering of all Challenges, for the bearing of all Tensions, even that of life-and-death."

The foregoing is not particularly lucid, but it is more understandable than the content of most books dealing with the subject of what life is about. It is not made clear just how we are all to go about becoming creative workmen.

"There is one kind of religious eloquence that tells," says Dr. Jacks. "It is the song which the good workman sings when he becomes conscious of the divine significance of his work." Whether a clerk in a five-and-ten-cent store or an usher in a movie theater can become conscious of "divine significance" in her work is doubtful. Yet such work is necessary.

Several years ago the relationship between work and religion was stated by Thomas Nixon Carver in "A Religion Worth Having." Dr. Carver was more specific than Dr. Jacks. Both books are recommended to philosophers.

IN "Money" (How to make it, use it, invest it) Samuel Crowther has gathered together articles he has written for the magazines. The book is a good outline of the difficulties that confront the investor.

In every chapter Crowther hangs up beware signs. Beware of gambling, beware of mortgages, beware of bonds, beware of going into business for yourself, beware of local enterprises promoted by boom promoters. The author is more specific in telling his readers what not to do than in telling them what to do.

"The only known way of accumulating investing knowledge is by investing," he says, and he's probably right, although the advice is sardonic.

Hartley Withers, the English banker and economist, has a book called "Hints About Investments" in which he undertakes a job similar to Crowther's. Withers has been impressed by the studies of the American, Edgar Lawrence Smith, whose volume "Common Stocks as a Long Time Investment" started the avalanche of funds into common stocks. For the ordinary man, Withers specifically recommends investment in the shares of banks, discount companies, and insurance

*Money, by Samuel Crowther. Stratford Company. Boston. \$2.

*Hints About Investments, by Hartley Withers. Eveleigh, Nash & Grayson. London.

companies, because these companies are in reality experienced investment trusts.

In this country this advice has been anticipated, and the shares of such companies are selling at high premiums.

Theoretically, the investment trust is the ideal place for the small investor to place his funds. In this country the organization of investment trusts has proceeded with cyclonic speed. The savings of millions of small investors have been attracted. Let us hope that the management of these trusts proves competent, and that this growing democratization of capitalism is not checked by losses due to serious mistakes.

Withers discusses the need for an organization through which the small investor may be assured of sound and trustworthy aid.

"When one airs these views in the company of business men," he says, "they are apt to agree and then to observe that there would not be much, if any profit attached to solving the problem because it would mean expensive propaganda and, at best, a great deal of business in piffling amounts; moreover, that it does not seem to be anybody in particular's job."

He suggests that the company or institution that plans to deal thoroughly with the problem of the ignorant investor would be obliged to spend a good deal on publicity, so that everyone who has money to invest may know that some trustworthy agency was prepared to take charge of his investment.

"It does not look like a highly profitable enterprise," he concludes, "but the huge profits that have been made by providing insurance and tobacco to millions of the impecunious seem to indicate that sound investment might be popularized to the benefit of the pioneers. And the benefit to the public would be enormous."

The Musicians Rally

PERHAPS in no other of the many industries in which technological unemployment has made itself felt has it met such vigorous and organized opposition as it is now encountering from the rank and file in the music industry.

To a widespread advertising campaign against "canned music" now has been added the "Music Defense League," organized under the American Federation of Musicians. The latter organization is enrolling in the League any and all who are "opposed to elimination of Living Music from the theaters."

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On the Business Bookshelf

HOTELS have been suffering from overproduction. And their overproduction problems probably are more serious than the similar problems of other industries—their day's product, unsold one day, remains forever unsold. Overproduction, then, presents a most serious problem as surplus rooms can't be sold at cut prices after say 10 p. m.

The late E. M. Statler first attacked this problem in a national way with an article, "The Race for the Guest," in NATION'S BUSINESS for June, 1928. Since then several hotels and associations have taken action to solve the problem.

Mr. Hamilton's book, "Promoting New Hotels," tells how the typical community hotel project is launched, how business is obtained, the source of profits, and a few of the common pitfalls of hotel management.

In conclusion, he points out the trends to be expected in hotel-building of the future. Most important of these will probably be the growth of hotels operated in connection with airports.

DURING the last decade the relations between corporations and stockholders have taken on new and wider ramifications. John H. Sears' book² is designed to help show the corporation how it can profit by closer relations with its stockholders and to show the stockholder how he can best protect his rights and help his company.

This book, we believe, will prove interesting as well as useful.

EACH year the National Association of Credit Men publishes a Credit Manual. The Manual for 1930³ includes a brief statement of the commercial law of the country with exceptions in the many variant states, combined with a diary showing holidays in the various states and days when various reports and taxes are due.

DEXTER KIMBALL has written an informative book⁴ on the development of industry and more particularly the economics of a modern factory. It

should prove a value to students and supervisors.

"**COMPLETE Newspaper Markets**" has been published by The American Press to provide "accurate and definite knowledge of the market each weekly and daily newspaper of the United States covers."

Towns and cities are listed by counties. Under the heading "Industrial Analysis" are shown the dominant industry, leading agricultural products, number of factories, mining products and other industries of each county and city. In the retail columns are shown the numbers of outlets in more than 25 classifications. Population, number of banks, motion-picture theaters and gas and electricity data are included in the tabulations.

"Complete Newspaper Markets" will find acceptance with the advertiser who wants to know the story of local mass coverage. What is the market represented by this or that daily or weekly? How do the people of city and country town earn their money and where do they spend it? Facts to answer these typical questions fill the more than 250 pages.

The book should prove a valuable addition to the market research libraries of distributors.

IN AN interesting manner and non-technical language Dr. Harrow presents a rapid, accurate survey of the history and growth of chemistry.⁵ The goal he sets for himself in the preface—to stress the more fundamental contributions and cut away much of the mass of detail—is closely followed in picturing the great personalities appearing in the pro-

¹**Promoting New Hotels: When Does It Pay?** by W. I. Hamilton. Harper & Brothers, Publishers, New York, 1930. \$2.50.

²**The New Place of the Stockholder**, by John H. Sears. Harper & Brothers, Publishers, New York, 1929. \$4.

³**The Credit Manual of Commercial Law with Diary 1930**. National Association of Credit Men, New York, 1930.

⁴**Industrial Economics**, by Dexter S. Kimball. McGraw-Hill Book Company, Inc., New York, 1929. \$3.

⁵**Complete Newspaper Markets**. The American Press, New York, 1930.

⁶**The Making of Chemistry**, by Benjamin Harrow. The John Day Company, New York, 1930. \$2.

gress of the science. The reader is treated to views of such workers as Roger Bacon, Paracelsus, Priestley, Lavoisier, Mendeléeff, Wöhler, Arrhenius, the Curies, and others.

Beginning in the Stone Age with the discovery of fire, the author points out the steps towards the combination of artisans' and philosophers' viewpoints that formed the basis for the later, rapid development of the science.

He then shows how the various branches of chemistry, which we know today in their applications to medicine and industrial processes, have grown and spread from the fundamental theories and "abstract" researches that have gone before. The relative periods at which the men lived and performed their work are made more vivid by linking them with contemporaneous events in history and the arts, and by frequent comparisons with our present-day practices.

The book, well-made and in clear type, is completed by a short survey of the field of American chemistry and chemists of today, a good program of reading for those who wish further knowledge on the subject, and a thorough index.

Recent Books Received

Trends in Location of the Women's Clothing Industry, by Mabel A. Magee. The University of Chicago Press, Chicago. \$2.

Reasons why one industry locates where it does, and places where it is congregating.

Psychology and Industrial Efficiency, by Harold Ernest Burtt. D. Appleton and Company, New York, 1929. \$3.

Retail Trade Mortality in Buffalo, 1918-1928, by Edmund D. McGarry. University of Buffalo, Bureau of Business and Social Research, Buffalo, 1929. \$1.25.

Number one of the University of Buffalo Studies in Business.

American Leathers, by American Leather Producers, Inc., New York.

This World of Nations: Foundations, Institutions, Practices, by Pitman B. Potter. The Macmillan Company, New York, 1929. \$4.

A discussion of international relations.

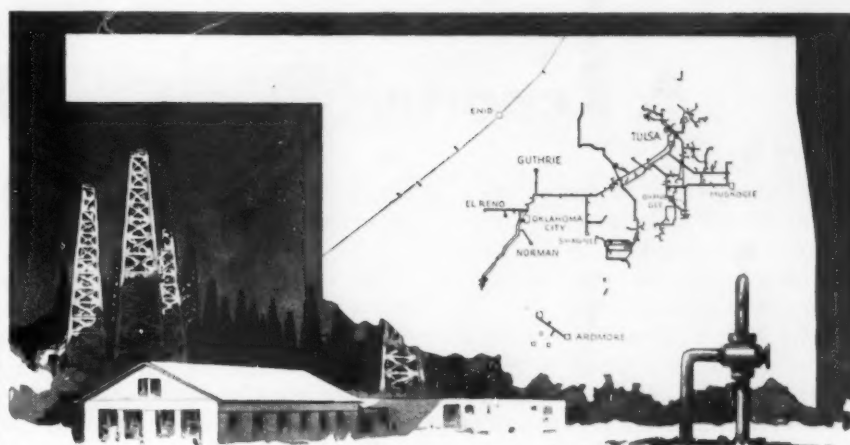
Business Reports: Investigation and Presentation, by Alta Gwinn Saunders and Chester Reed Anderson. McGraw-Hill Book Company, Inc., New York, \$3.50.

The Manufacturer and His Outlets, by Chester E. Haring. Harper & Brothers, Publishers, New York, 1929. \$3.

How Great Cities are Fed, by W. P. Hedden. D. C. Heath and Company, New York.

An Introduction to Business: A Case Book, by Horace N. Gilbert and Charles I. Cragg. McGraw-Hill Book Company, Inc., New York, 1929. \$3.

The Law on Advertising, by Clowry Chapman. Harper & Brothers, Publishers, New York, 1929. \$7.50.



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Even more remarkable is her position as a fuel center, for she today leads all other sections of the entire world as a storehouse and producer of fuels. She is the leading gas and petroleum state, producing one-fifth of the nation's supply of natural gas. When—if ever—gas and oil give out, she will match any other section in the world in coal reserves, with 90 billion tons of high grade coal.

Oklahoma is today the world's choice location for industries which use or should use the best and cleanest of industrial fuels, Natural Gas. Such industries are invited to write our Industrial Department. No obligation will be incurred and all correspondence will be treated as confidential.

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A Reporter Questions Mr. Legge

(Continued from page 17)

farmer, as a business man, has not received a fair return on his investment and, as a worker, he has often labored for a grossly inadequate wage.

Some people think the Board's activities should be directed toward the arbitrary raising of the price level for agricultural products. The Board cannot raise prices arbitrarily. Prices, as I have said many times before, are determined by basic economic conditions—by the demand for a commodity, the supply available to meet that demand, and the manner in which that supply is fed to the market. What we hope to do is to assist farmers to become better able to compete with other groups in the markets of the nation and the world.

Helping the farmers organize

MANY attempts have been made to organize the farmers. Only a few of these attempts have been successful and those on a limited scale. The Agricultural Marketing Act provides for helping the farmer to organize. In undertaking this, it is my opinion that we are

doing no more for the farmers than we have already done for various other branches of industry and labor.

MR. SMITH: Do you regard the Farm Board as a temporary agency to tide over a depression or is it a thing that must be continued permanently in order to keep American agriculture in its right place in the whole economic fabric? Is agriculture going to be a permanent invalid which has to exist solely with the help of government stimulus or are we just giving it a tonic which will eventually get it out of bed and let the Farm Aid Law pass out of existence?

MR. LEGGE: Our aim is to make federal farm aid as temporary a thing as possible, but it will probably take a long time, perhaps a good many years, before our program can be completely worked out. What we hope to do is to help the farmer help himself. Those who can't help themselves will pass out of the picture.

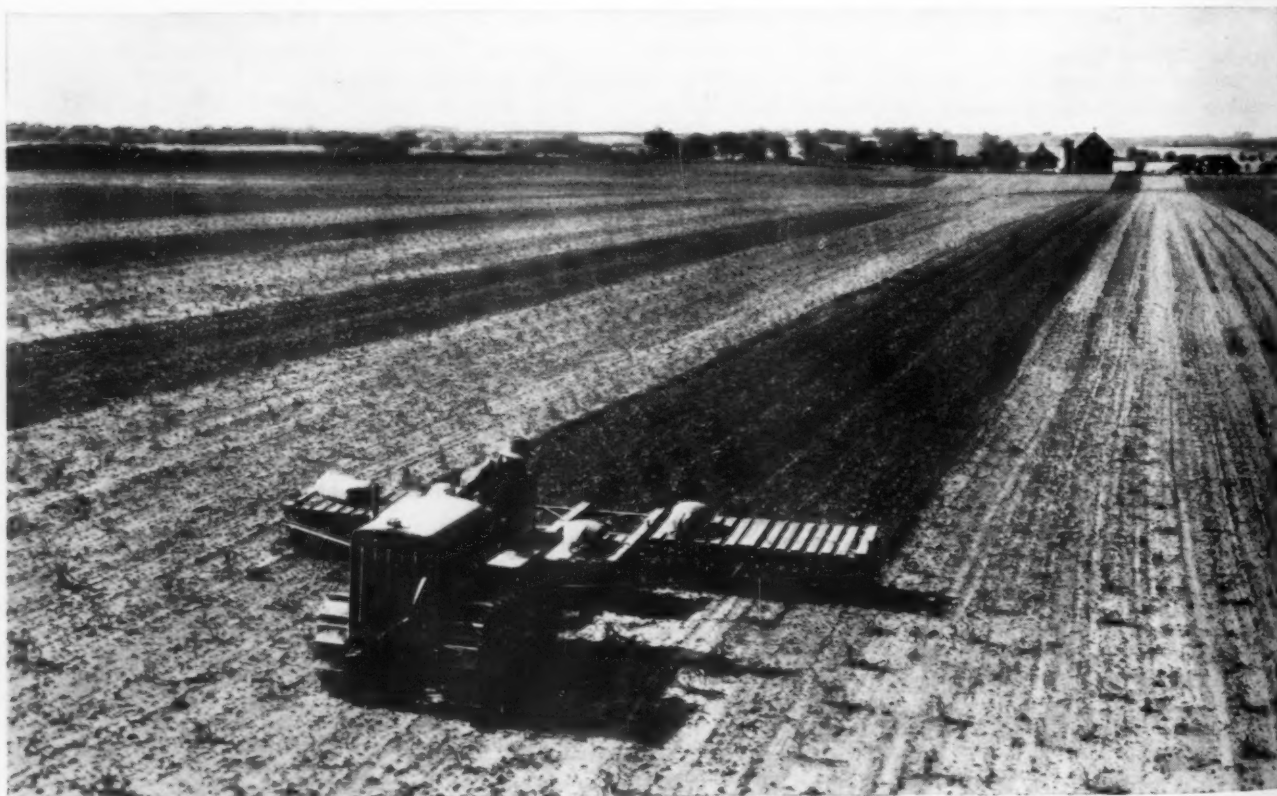
Some cooperatives, notably those of the California citrus growers and the Hood River apple producers, are already successful. They don't want any

federal aid. Others are well on their way to success. Others will fail and try again and eventually succeed. Some may never succeed. Perhaps there will always be some branch of agriculture needing help.

I hazard the opinion that it will be a long time before the Farm Law goes out of existence but once again I want to emphasize that our chief aim is to enable the farmer to stand on his own feet, as I know he himself wants to do, without governmental aid. If the plan we are now trying to carry out does not succeed, we may face something much more drastic.

MR. SMITH: Brazil is just now suffering from a partial or complete collapse of its coffee valorization plan. What happened there, as I understand it, is that a somewhat artificially sustained price of coffee led other tropical countries to go more heavily into coffee raising than ever before. Is there danger that the Farm Board's plans will do the same thing in the world production of wheat and perhaps cotton?

MR. LEGGE: There is always the danger that an artificially sustained price



PUBLISHERS PHOTO SERVICE

The argument for curtailing production has been unpopular with the farmer as a rule but Mr. Legge believes he will in time see the advantages of this. A campaign of education is needed

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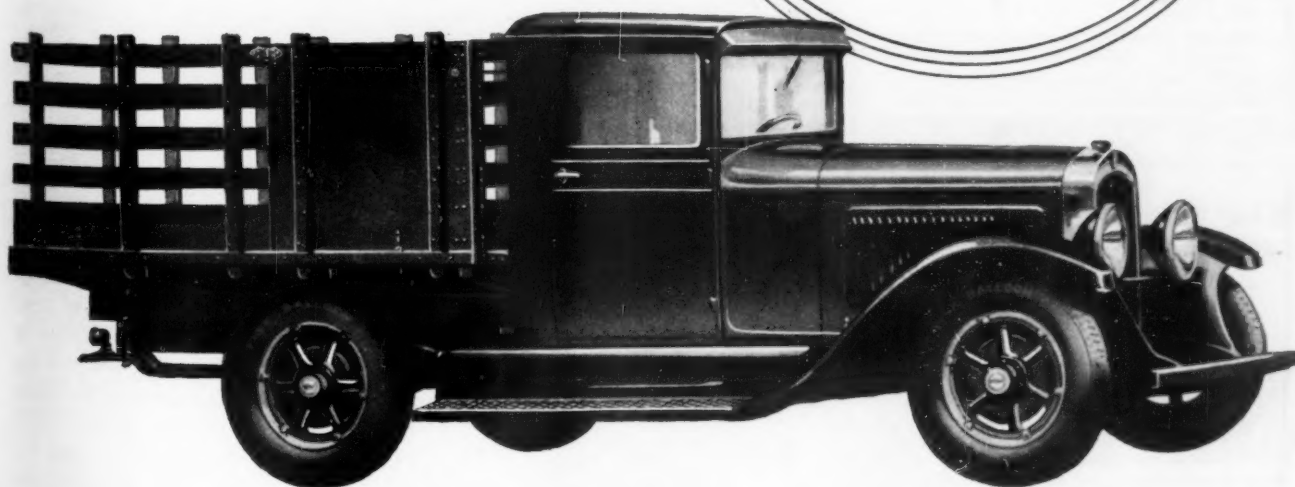
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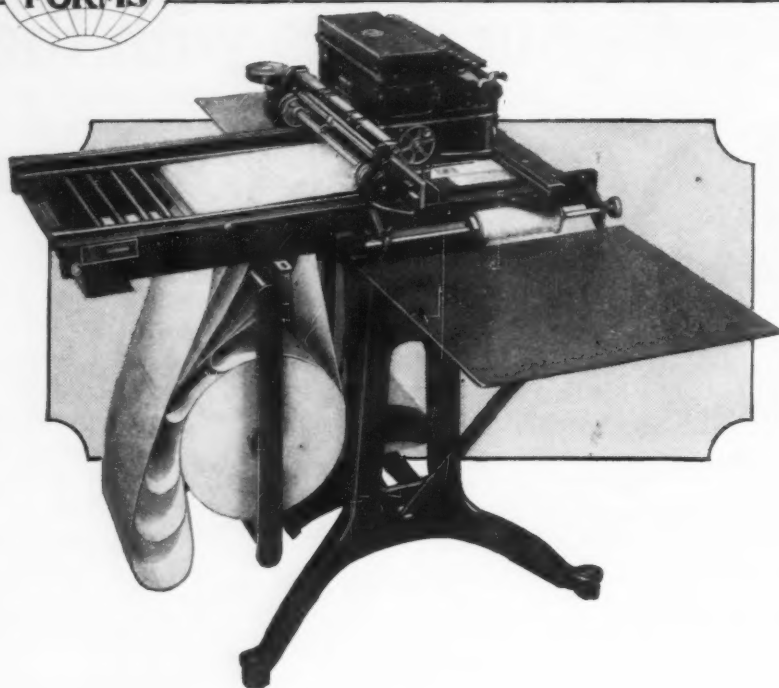


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Time is further saved by combining forms. With Multi-PLY, invoices can be combined with order forms, department instructions, bills of lading and the like. Time spent in re-copying is saved — and since time is money — money is saved.

speed-up plant and office operations

Delays are costly. They not only waste time but they upset schedules and hamper production. Delays which occur when original data is passing from department to department for re-copying, are eliminated by combining forms and writing them the "non-stop" way — in one operation — at one time — in one place.

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Simplify with Multi-PLY. Reduce red-tape — eliminate useless forms — cut down on clerical labor — speed up billing methods — make accounting easier. All these advantages come with the use of Multi-PLY Forms.

insure greater accuracy

Errors are costly — in time, temper and money. You run the risk of such errors every time records and forms are copied and re-copied. Multi-PLY Forms stop errors due to re-copying. Clear legible copies prevent mis-reading of items, figures and amounts. Disputes are reduced. When you stop errors you save time and money, and speed up operations.

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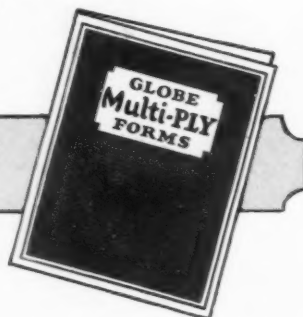
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above the market value will result disastrously.

I repeat that we are not attempting to sustain prices artificially. Take cotton. It can be produced more cheaply west of the Mississippi River than in the southeastern states. If the price were kept at a level high enough to guarantee a good profit to all of the growers in the Southeast, undoubtedly the growers west of the Mississippi, attracted by the larger profits, would increase their acreage until there would be a disastrous glut in the market. One of our big problems is to try to induce those operating unprofitable lands to turn their attention gradually toward more profitable crops for that land.

One-crop farming hurt

TAKE the experience of North Dakota. I know something about that because I had a personal interest in it. A few years ago, farmers there were so busy growing wheat that they couldn't grow anything else. If you wanted milk on a North Dakota farm, you usually got it out of a can.

Today dairying is one of the principal and most prosperous industries of the state. The farmers there found it paid to own a few cows instead of devoting all their attention to growing wheat at a price which in some years brought them little or no profit.

The effect of the Board's activities on production must be carefully watched. We will be traveling only in a vicious circle if the efforts of the Board should result in a large expansion of cultivated land and the production of greater and greater supplies of our principal crops.

I believe that the Board's program of work through the cooperatives is the only plan that will avoid a calamity of that kind.

MR. SMITH: The farmer is traditionally an individualist, impatient of governmental restraint. Can you induce enough farmers to subject themselves to regulation to make the cooperatives effective in limiting acreage sowed in crops which have surplus? Isn't there danger that there will always be enough "rebels" to throw the works out of gear?

MR. LEGGE: Yes, there will always be that danger. The farmer of the past has been the greatest individualist the world has ever produced. He has taken pride in his own self-contained, isolated, independent action. This independence has been a fine thing but it has become expensive to the farmer. If he expects to place himself on a parity with other industries in which organization and

industries in which organization and consolidation have proved so effective he must adopt the principle of co-operation.

The argument for curtailing production has been unpopular with the farmer as a rule. But I believe that in time he will come to see that if he can get more money for four bushels of wheat than he can for five it will be better for him to raise four bushels of wheat instead of five. A 20 per cent reduction, on an average, of what the farmer produces would make the tariff on wheat effective and give him a higher level of prices. I think it is conservative to say that 20 per cent less production would bring him 20 per cent more money than he is getting now for what he produces.

This calls for a campaign of education. There is no way to coerce the farmer into joining a cooperative. You can't compel him but you may persuade him, if you can show him that the cooperative organization is operating in his interest. And that is what we are undertaking to do.

A New Buying Guide

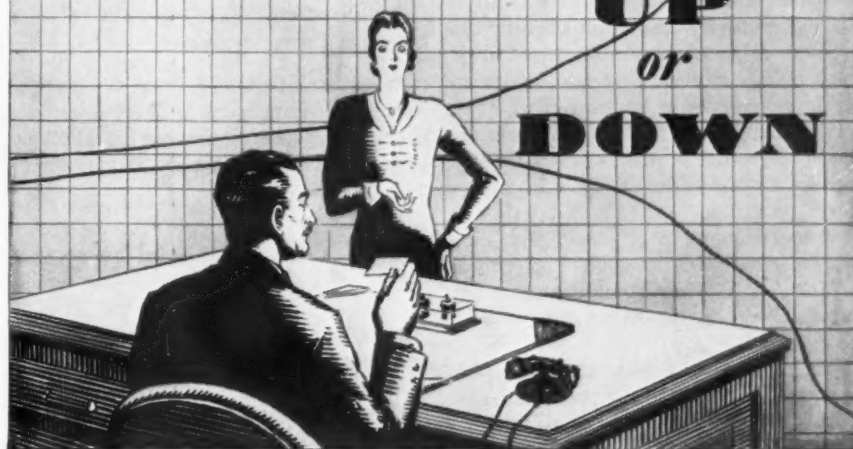
A NONPROFIT information service to aid consumers has been created in New York under the name of Consumers Research, Inc. This organization "will gather accurate and readily usable technical data concerning practically every type of commodity." An announcement explains that this information will be supplemented by research and interpreted in terms of practical everyday needs.

Certainly there can be no quarrel with the breadth and scope of this charter. Nor is any one likely to grudge the consumer a new guide in purchasing. But it is obvious that recommendation and indorsement raises a question of the disinterestedness of the approval.

This idea of a consumers' advisory service is a development of the Consumers Club, a small organization which purported to bring greater wisdom to the spending of money. A widely circulated book, "Your Money's Worth," by Stuart Chase and F. J. Schlink led to the club plan. Dues provided the only sinews of the old club. An anonymous philanthropist is launching the new club with a grant of \$10,000.

Integrity of purpose is reflected in the names of the sponsors, and the service has money in the bank—two considerations that indicate a fair trial of its need and its usefulness.

When your card goes
in, does the prospect's
interest go



Genuine Engraved Business Cards Create
an Impression That Helps Make Sales

BACK of this particular call may be an investment of many hours and many dollars. Perhaps upon it may depend a substantial share of profits for an entire fiscal period. Create the proper impression before the interview starts—with the card that announces your representative to the prospect. ¶ Genuine Engraved Business Cards are silent salesmen; they present a convincing picture of stability, dignity, quality that goes deeper than mere surface appearance! ¶ The trifle of added cost is most decidedly an investment that will yield assured dividends in prestige and good will. Do not handicap your salesmen by forcing them to use imitations. Make certain that the Mark of Genuine Engraving is on every package of business cards you order.

GENUINE ENGRAVING



ENGRAVED STATIONERY

MANUFACTURERS' ASS'N

Uncle Sam, Tipster

(Continued from page 31)

I suggest that Senators read the bulletin and the context, the description of the preceding condition, that the boll weevil was spreading and its ravages becoming more disastrous; the consumption of the world was increasing by leaps and bounds; the crop was early and would soon be gathered; every bullish element that would tend to put the price of cotton up was recited. They were recited faithfully. Then, as the conclusion of the recital of these favorable conditions for a higher price, it says this curious thing:

"If the relationship of supply and price —" Not supply and demand—

"If the relationship of supply and price continues, cotton will decline for the next few months."

That precipitated a drop in less than two days of \$10 a bale, and the price gradually went down until it reached the difference of \$40 a bale. I maintain that we have no department here that has the right to volunteer information not warranted by the facts or circumstances, that would aid and abet the great bear speculative interests to the ruin of the cotton producers.

In the sharp discussion in the Senate over this question of decline of cotton prices, it was asserted that the Bureau of Agricultural Economics not only had ignored the figures of the Census Bureau and taken others in their place, but, in choosing between private sources of information, had depended, not upon Secretary Hester of the New Orleans Cotton Exchange, described in the debate as the "greatest authority on cotton statistics in the world," but on other sources in New York which proved less accurate.

Has human fallibility

IN SHORT, the Government as represented by the Agricultural Department, had exercised human judgment and shown human fallibility. But, being Government and seated on a throne, its figures and predictions as to cotton were accepted.

Although the Agricultural Appropriation Bill forbade the Department of Agriculture to predict cotton prices, efforts to widen the ban to include wheat and other products failed. Thus the Department is not only permitted but willing to predict future prices of most other agricultural products. Just why it should do this with wheat and not cotton is not clear. Nor is it clear why Agriculture should do it at all since no

other Department is given actively to soothsaying.

With Agriculture it is a regular habit. On the fifteenth of each month it issues a mimeographed document called "The Price Situation." Here are some extracts from the February issue:

FARM PRICES—During the next few months the level of farm prices is likely to remain below the corresponding period of 1929, when it was 136 in February, 140 in March, and 138 in April.

Prophesies that lead astray

WHEAT—Notwithstanding the recent marked decline in wheat prices some improvement appears likely in the next few weeks.

(This appeared in the newspapers of Sunday, Feb. 16. On Monday, Feb. 17 wheat fell sharply all over the world.)

FLAX—Little if any improvement in flax prices is to be expected during the next few months. Farmers with flax for sale would do well to market their crop at present prices.

RICE—The upward trend in southern rice prices is likely to continue for the next few months. Prices of cleaned rice will probably make a greater proportionate increase than rough rice.

HOGS—Hog prices have advanced steadily since the seasonal low point reached the last week in November. . . . The advance now in progress is expected to continue until late March or early April.

BUTTER—Butter prices will probably remain close to present levels for sometime and the seasonal decline now until the period of flush production will probably be less marked than usual.

EGGS—A downward seasonal trend in egg prices may be expected until early in March. . . . The levels reached then are likely to be maintained during the rest of the month.

Nor are price prophecies confined to a single document. "The Agricultural Situation," a booklet published monthly, and bound in blue as befits the gloomy tenor of its prophecies, warns dismally in its February issue:

Dairymen also face a period of readjustment. While an annual increase of about one per cent in the number of milk cows is necessary, normally, to balance the growing demand, the number was increased three per cent in 1929. The present number of heifers, six per cent larger than a year ago, is sufficient to cause still further increases in cow numbers in 1930. Probably more calves have been raised in the last two years

than can be raised to advantage hereafter. Dairymen who have to buy dairy cows will probably be able to buy replacements at less cost in two or three years than they can now.

Here we have a courageous forecast of cow population three years hence but the Department has no qualms about long-range prophecy. Here is one for five years:

The prospective increases in beef cattle and dairy production during the next five years, with little prospect of compensating increases in demand, will tend to depress rather than raise gross income to farmers.

One must commend the courage that dared that prophecy even while trying to reconcile it with the following quotation from the same page of the same report:

During the past ten years the price level of non agricultural products has gradually tended downward while the price level of agricultural products has gradually risen.

A ten-year dairy program?

BUT the range of prophecy is not limited to five years. Here is the outlook for ten years hence:

Within the next decade, however, lower prices for beef will induce many farmers to milk cows instead of raising calves and the dairy output will expand.

That is somehow reminiscent of the Federal Oil Conservation Board's prediction in 1926 that the oil in "known fields" in the United States would be exhausted in six years. Oil will not be gone from known fields in 1932. Nor will it cost a dollar a gallon as the late Senator La Follette once predicted.

A great many things are certain to happen in any five-year period now and hereafter and more will be crowded into each succeeding five-year period. It is axiomatic that the accumulated and accumulating store of knowledge, experience, machinery and invention is gearing up our speed constantly. Consider the happenings and developments of the last four or five-year periods. Long range prophecy is a perilous thing, not only for the oracle who attempts it but for the cattle or dairy farmer who shapes his future on it.

Consider the possible contingencies in a changing world that may confound the man who charts his course on these pro-



PROGRESS

Sunflex is the most important contribution to Industrial Painting since quick-drying lacquers

EIGHT YEARS AGO the Craftex Company pioneered in a new kind of paint for the decoration of residences and buildings—Craftex. With properties not available before in any other product, Craftex was immediately successful. Craftex, the original plastic paint, started an industry which now runs into millions of dollars each year.

The Craftex Company now announces another entirely new type of material, this time for interior painting. Like Craftex, it has revolutionary features—read this advertisement and you will agree that Sunflex is well named "The Miracle Paint."

* * * *

Sunflex is a new kind of flat white for interior painting. It has the highest light reflection value of any known paint—over 90% for a single coat. In terms of better light for workers, better property value through appearance, and lower lighting bills, this is important to you. But even more important is the permanence of this original coat of brilliant white. Sunflex has a non-yellowing binder. Sunflex walls, exposed to light,



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THE MIRACLE PAINT

air, heat, moisture, and even many acid fumes, never turn yellow. Sunflex gives you durable, lasting whiteness.

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Sunflex has remarkable opacity. It hides wood, concrete, brick, metal, and other surfaces equally well. On most jobs Sunflex saves a coat of paint—probably 75% of all Sunflex used goes into one-coat work. Here is an important saving in material and labor to add to the overhead savings of a non-yellowing white. And there are still other savings. Drying dust-free in an hour, and odorless, Sunflex makes it possible to repaint without interrupting production.

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Sunflex can be applied directly to green concrete or plaster! No longer is it necessary to put up with the annoyance, unfinished appearance, and actual money loss occasioned by new concrete interiors which go unpainted for months while the walls dry out. Sunflex, minutely porous, allows the surface underneath to "breathe" naturally. Moisture dries

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Have your Maintenance Department give Sunflex a workout and see for yourself how well it meets your conditions. We will be glad to send you a quart of Sunflex for a convincing demonstration.

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Industrial Center too

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in all ranks, and to executives. A helpful
interchange of inter-industry knowledge and
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The kind of facts that spur thought.
The kind of thought that results in those
small and large savings and advantages,
originated by workers and executives; which,
in the total, have already done so much for
the advancement and prosperity of each in-
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And that can be still more helpful to the
prosperity of each industry, right NOW.

(Because, right now, if you realize what is
going on, industry's thinking is getting ready
for a new turning point, a new prosperity, a
new and greater advancement than ever
before.)

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Special working methods; special Phenolites;
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greatest.

NVF

pheries. If you doubt the danger, you
have only to look at the past. Within
six months four major grain-house fail-
ures have been blamed on the Depart-
ment of Agriculture's price forecasting
work.

The head of a great Canadian house,
testified in a public hearing that he had
relied on price forecasts of the Canadian
grain pool and the United States De-
partment of Agriculture and that prices
had not performed in accordance with
those predictions. Nearly three million
dollars in pledges were needed to save
the situation.

Forecasting can ruin business

A UNITED States firm, represented in
Washington by a farm bloc Senator,
went to the wall for an amount slightly
less than in the Canadian failure. The
head of the firm said he made commit-
ments on the basis of his faith in Agri-
culture Department price forecasts. Two
more failures followed, both of them
blamed on price forecasts given out by
the Government.

It may be argued that these houses
might have failed anyhow or should
have shown better judgment but, if gov-
ernment forecasts are not to be used,
what is the sense in publishing them?
Especially what is the sense in publish-
ing them if they are inaccurate and the
Department itself admits that they can-
not be fully relied upon. The chief of
the Bureau of Agricultural Economics
in his report for the year ended June 30,
1929:

The price situation reports of the Bureau
have been improved both by increasing the
number of commodities dealt with and by
making a more critical analysis of the dif-
ferent commodities. A review of the fore-
casts made during the past year shows more
definiteness and a fairly high degree of ac-
curacy in forecasting the prices of most of
the commodities two or three months in
advance of the report.

It would not be difficult to cite cases
where the prophecies proved right but it
would be difficult to prove that the pre-
diction of price is any part of the func-
tions of Government. In fact, the large
question involved is not whether the re-
ports are accurate but the question of
rights and wrongs of government ac-
tivity.

Why should the Government, with its
unquestioned authority, undertake to
know the unknowable and predict the
unpredictable?

The United States Government can't
afford to be wrong and, if it prophesies,
it can't always be right.

New York Sets Out to Clear Its Air

By SCHUYLER PATTERSON

NEW YORK CITY has started doing something to correct the evil of smoke, dust, and dirt in its atmosphere. As a first step, the city has had the contents of its air analyzed, determined and weighed. The surprising fact was revealed that more than 2,300 tons of foreign particles, ranging from stone to bacteria, were polluting the City's breath.

Samples of this foreign matter were subjected to laboratory tests by Profs. H. H. Sheldon and E. N. Grisewood, physicists of New York University. Their findings indicated that 65 per cent of the particles was carbon, 15 per cent stone dust and mineral matter and 20 per cent germs, bacteria and organic particles.

Unburned coal, gas and oil

THE carbon content was made up of unconsumed coal and unburned gasoline and motor oil, the two latter possessing a far higher British Thermal Unit rating than coal. Professor Sheldon estimated that there were almost 3,000,000 pounds of such matter hanging over the city. Turned to useful purposes and burned beneath the boilers of the most modern steam-electric generating stations, this quantity of fuel would produce 4,500,000 horsepower, or enough to run all of New York's power plants for six hours out of the 24.

These conclusions were reached by giving the carbon content of the air just the same fuel value as coal. In the most modern steam generating stations nine-tenths of a pound of coal are required to produce a kilowatt hour of electricity. On this basis 3,000,000 pounds would create 3,333,333 kilowatt hours. And, as a kilowatt hour is equivalent to 1.34 horsepower, a total for the latter of 4,500,000 was conservative.

Traffic contributes its share

THE stone and mineral matter was found to be present largely as a result of building operations and the chipping away of asphalt and other types of pavements by traffic.

Germs and organic particles, the total of which reached one million pounds, ran all the way from bits of human skin



Management
UNITED REALTY, INC.
D. R. LANE, President
GEORGE E. ALLEN,
General Manager



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This is real coöperation in a practical way. Employers of industry who are interested in this subject will want to read our booklet, "Management, Men and Motives." May we send you a copy?

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LIFE INSURANCE COMPANY
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N. B. Over Sixty-seven Years in Business

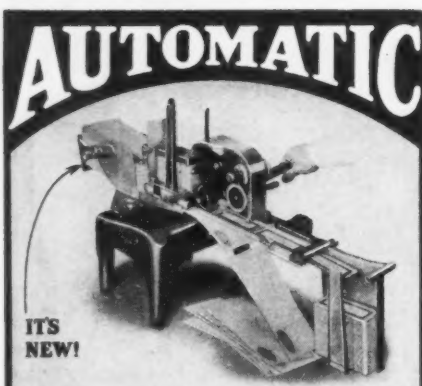
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and hair to virulent bacteria. Fortunately for the public, the most common germs were those to which, from constant encounter, most city-dwellers develop a fixed resistance. Evidence of this resistance is found in the World War army records, which disclose that both the incidence and mortality rates of influenza were much higher for country-bred than city-bred soldiers. The rare and more vicious types of germs were found to be short-lived and their menace was therefore limited.

Sponsored by Smoke Committee

THIS investigation of the pollution of the city's atmosphere was sponsored by the Smoke Nuisance Committee, appointed by Health Commissioner Shirley W. Wynne. The Committee for some time had been seeking to learn the extent of air pollution, but had been handicapped by inability to analyze air in quantities.

The previously accepted method had been to take a vacuum bottle to various selected points in the city and there to "sample" the air. Results, however, were limited and subject to question, as but a few cubic inches could be obtained at a time and the dust count could, at best, be but an indication of that suspended in a single limited area for a fraction of a minute.

In common with other centers, however, New York has a law which requires that each patron of its larger theatres must be provided with 30 cubic feet of air a minute. To satisfy the requirements of this ordinance, the cinema "cathedrals" have installed various means of ventilation. The two largest theatres have specially designed air-conditioning systems.

Sprays extract nearly all dirt

CERTAIN features of these two systems caused them to lend themselves to the dust and dirt investigation. Both theatres draw in air through inlets placed a hundred feet or more above street level and send it through sprays that form veritable Niagaras. These sprays humidify the air in winter and dehumidify it in summer and, in the process, precipitate some 96 per cent of the dust, dirt and other foreign matter the air contains.

Each ventilating system sends through about 350,000,000 cubic feet of air a week. It was found that the spray chambers in one theatre were gathering about 11.25 cubic feet of these particles weekly and, in another, an even 11 cubic feet. This did not include particles lighter

than water which floated away and went down the drains.

The Brooklyn Polytechnic Institute had determined that Greater New York City had an atmosphere of one trillion cubic feet, based on the square mileage and a vertical distance of 200 feet. Taking this as a basis, it was found that there were 35,160 cubic feet of dust and dirt in the air of the metropolis.

Collateral evidence of the extent of the damage done by this foreign matter in the air was forthcoming from officials of the Municipal Art Society, who declared that the loss to New York property as a result of the air-borne dirt was approximately \$60,000,000 annually. It was learned too that baby lions in the New York Zoological Gardens, worth \$600 at birth, become so debilitated from breathing the dirt-laden atmosphere that at the end of a year they were worth but \$6.

Vegetation is destroyed

THE recent outlay for the rehabilitation of Central Park—probably the most valuable piece of undeveloped real estate in the world—is laid almost entirely to the destruction of vegetation by foreign matter in the air. No attempt has yet been made to discover the loss through ill health and devitalization caused by polluted air.

The experiment conducted in New York is also to be undertaken in other large centers of the East and Middle West. It has been learned, for example, that Cincinnati pays an extra \$170,000 a year to its laundries because of the foreign matter in its air.

Pittsburgh's smoke is estimated to add annually \$16 per capita to the laundry bill of that city.

It has been estimated for the nation as a whole that the average man breathes more than five times his weight in soot and dirt every 12 months, or a ratio of 2.6 pounds of soot to every 45.2 pounds of air. This seems incredible, but the fact remains that the atmospheric conditions in the average American urban community have become a serious menace to public health.

Will ultimately purify air

"HEALTH and other civic officials are making strenuous efforts to prevent and remedy air pollution just as, some 25 years ago, they combatted pollution of water, but atmospheric conditions in cities have grown steadily worse," Professor Sheldon comments. "It seems likely that, in the interest of health, we will ultimately have to employ means

for purifying the air which enters our homes, offices and public gathering places.

Theatres lead in the field

"SO far the theatres have made the most progress in protecting the public in this respect. Air-conditioning facilities are also used in certain factories requiring stabilized temperatures and humidities, notably in the tobacco, rayon, candy, leather, chemical and printing industries and in department stores. While in these cases the conditioned air is required in the manufacturing processes, the employees get the benefit of more healthful conditions.

"The public, as well as the medical and health authorities, are beginning now to realize the importance of clean air, however, and both within and without buildings are demanding bettered conditions.

"The serious studies of the problem of air pollution now being made in various cities throughout the country ultimately should point the way toward the means for protecting the atmosphere from the dirt and germs which now render it menacing to public health and wasteful from an economic viewpoint."

For Coal Consumers

REGULARLY some one rises to remark that nobody is looking out for the consumer except to get the jump in picking him clean. Possibly the consumer is too busy exercising his consumptive capacity to take much notice of the implied peril. Occasionally, as a report from New York shows, he becomes corporate and does something to safeguard his position. The Coal Consumers Protective Association, Inc., of that city provides an example in point.

A code drafted by the Association has been adopted, it advertises, "by responsible coal dealers for the protection of coal consumers in Manhattan and the Bronx." This code comprehends the display of numerals to show the net weight of each load of coal, display of the dealer's name and the numbering of all trucks, adequate information on the delivery ticket, and the wetting of coal only after weighing.

"The load weight panel is your insurance," the Association announces. On that declaration it seems fair to conclude that the consumers do not intend to let the policy lapse.—R. C. W.



NEW YORK ASKED

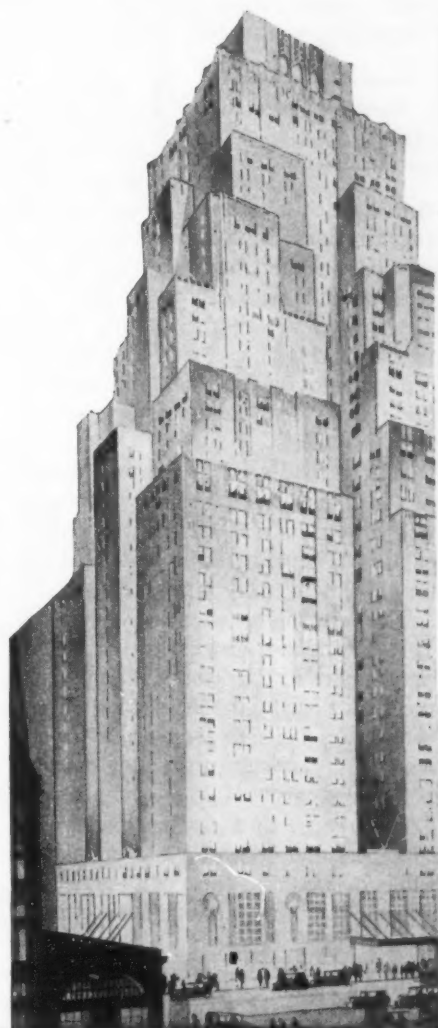
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NEWS OF ORGANIZED BUSINESS

By WILLARD L. HAMMER

Tourists and Travel Routes

THE Traverse city, Mich. Chamber of Commerce recently organized a number of communities along certain highways in northern Michigan for cooperative advertising of the scenic attractions of those roads with a view to keeping tourists in that section of the state a little longer.

In another section of the country, a group of Piedmont Carolina chambers are organizing to advertise the scenic Piedmont route to the heavy north and south tourist trade which at present largely follows the route along the coast.

Farmers Fete Local Chamber

MANY wonder what are the effects of the agricultural activities of chambers of commerce which are essentially commercial organizations. A dinner recently given members of the Chamber of Commerce and several business men's clubs of Petersburg, Va., by the farmers, county agents, and 4-H clubs of that vicinity demonstrates that good-will and appreciation are at least some of the fruits of such activities.

All the food used in the preparation of the dinner, except coffee and sugar, was grown in that vicinity. The girls of the 4-H Clubs acted as waitresses and an old-time country quartet sang.

The principal speaker of the evening, J. R. Hutcheson, director of the Extension Service at Blacksburg, Va., praised the work done by the Petersburg Chamber of Commerce to promote the development of agriculture in that district.

The manager of the Chamber of Commerce in turn commented on the chambers that strive for new industries while overlooking the eighty-acre factories in their surrounding farm country.

Steel Trade Cleans House

MANUFACTURERS and dealers in the metal industries have set up an organization to be known as The Steel Trade Credit Association, Inc.

The purpose of the Association is to set up a code of practice applicable to its membership, and of cleaning the

industry's own house before suggesting any reforms to its customers. The Association also will devise a plan to check up on weak concerns to prevent them from obtaining credit beyond that to which they are entitled.

National Waste Review

THE National Association of Waste Material Dealers, Inc., has just launched a magazine designed to present the Association and its aims to all dealers, consumers, and producers of waste material.

Subscriptions are not restricted to members of the Association.

The National Waste Review seeks to promote the industry it represents, and promises suggestions and constructive criticisms.

A feature of the first issue, January, is a symposium of the outlooks for the various waste material industries.

New Method for Nominating

THE Salisbury, Md., Chamber of Commerce nominates its candidates for director and president by ballot. The ballots, mailed to members, have membership rosters attached.

Blanks are provided for entering the names of nominees and explicit instructions for voting are printed on the face of the ballot.

Here also are found listed the qualifications of an ideal director and the

functions of the board as a whole. Copies can be obtained from the Salisbury secretary.

Trade Council To Meet in West

THE National Foreign Trade Council will meet in Los Angeles May 21 to 23. Preliminary returns indicate that approximately 2,000 foreign traders from all parts of the country will be present. Chambers of commerce, boards of trade, and associations, as well as firms and individuals actually engaged in foreign business, are invited to participate.

"The outstanding feature about our foreign trade is the increased sale abroad (by more than 12 per cent last year) of the products of manufacture," James A. Farrell, chairman of the National Foreign Trade Council, has declared.

The principal reason for holding the convention on the Pacific Coast is that section's remarkable increase in foreign trade during recent years.

Work of Better Business Bureau

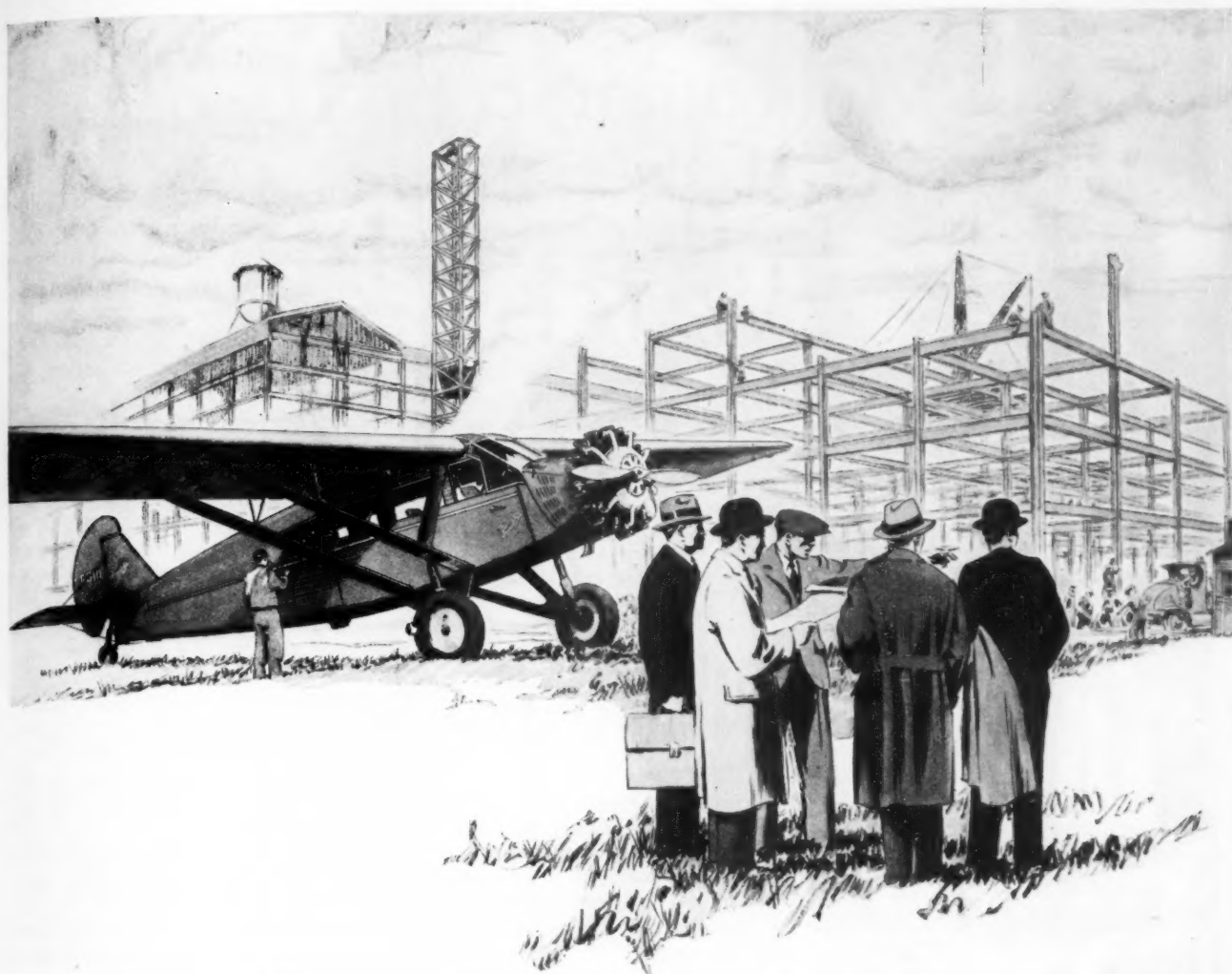
THE Cleveland Better Business Bureau has a novel annual report. It lists the number of calls, complaints, radio talks, speeches, news releases, and miscellaneous work in checking a number of fraudulent-selling schemes.

The report indicates that the Cleveland Better Business Bureau is realizing to the full its potentialities for service.

Where Business Will Meet in April

(From information available March 1)

7	Association of Marine Underwriters of the United States	New York	
8	American Oil Burner Association	Chicago	Hotel Stevens
8	National Council of American Importers and Traders, Inc.	New York	
8-12	Tile and Mantel Contractors Association of America	New Orleans	Roosevelt Hotel
9-10	National-American Wholesale Lumber Association	Atlantic City	Haddon Hall
14-15	Southwest Foreign Trade Conference	Houston, Tex.	Rice Hotel
14-16	American Institute of Quantity Surveyors	St. Louis	
15-16	National Warm Air Heating & Ventilating Association	Detroit	Hotel Statler
17-19	Florida Engineering Society	Ocala, Fla.	
20	North Carolina Pine Association	Norfolk	Monticello Hotel
23-25	National Lumber Manufacturers Association	Chicago	
23-26	American Booksellers Association	Los Angeles	Hotel Biltmore
29-5/1	Chamber of Commerce of the United States	Washington	Chamber Building



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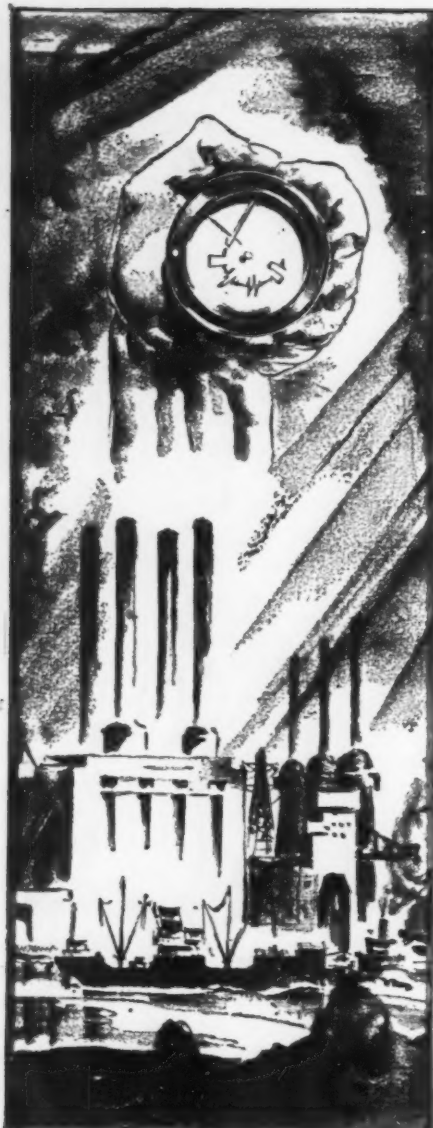
high speed of 135. A more luxurious model, equipped with a 420 h.p. engine is available. Either can be equipped with office furnishings to suit the purchaser.

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A Look at the Auto Market

THE DOMESTIC market will continue to be the major outlet for automobiles, writes Alfred Reeves, general manager of the National Automobile Chamber of Commerce, in *Motor*, despite the fact that the industry is facing the greatest export period in its history.

In considering the huge field for new-car sales offered by the domestic replacement market he offers convincing statistics to show

that in a general way the replacement market for a given year approximates the domestic sales of six or seven years previous, six or seven years being the life of many cars. In 1930 the automobile trade will be replacing a considerable share of the domestic market of 1923, which totaled 3,799,788 vehicles. . . . In short we are just coming to the time when the cars of the big production years are wearing out, thereby creating a big consumer market in the American trade. . . .

At every opportunity the automobile industry is bringing before real estate operators the importance of the two-car garage. Realty men themselves are finding that homes can be sold more quickly if they have this modern equipment. . . .

In the early days of the industry the National Automobile Chamber of Commerce kept up a constant campaign for the equipping of every suburban home with a private garage.

Only twenty years ago a private house with any garage was a rarity. . . . The onward march of the motors has reached the stage of the two-car family, with the used automobile remaining in the family garage for rough usage instead of in the dealers' storehouse.

Domestic market far in lead

WHILE the glowing prospects in the export market, he writes, are

based on approximately 1,000,000 vehicles to 107 different countries in 1929 . . . we must recognize that 83 per cent of the automobile business is still coming from the United States.

And finally, though the industry will in the long run find America an ever expanding market,

no one would be optimistic enough to expect 1930 to equal the past twelve months' period, when for nine months we made approximately 45 miles of motor cars every day, of which five miles went to foreign countries.

"Farm Relief" in the Hoosier State

INDIANA business men are taking a hand in Indiana "farm relief." The movement was started by an Indiana banker who noticed that his farmer depositors who were milking cows were increasing their bank deposits, while the farmers who depended upon wheat and corn were increasing their bank loans. His resultant interest in dairying has been the means of arousing interest generally among farmers of his community.

This banker's interest in the improvement of farming is typical of the interest of business men generally in the subject. Chambers of commerce of many county-seat towns in Indiana and elsewhere are supporting active programs intended to improve agriculture's financial status.

The Sullivan County plan

ONE Indiana experiment that is being watched with especial interest is that conducted in Sullivan County by the Sullivan Chamber of Commerce. Under the plan, each member of the Chamber is expected to find one farmer who will contract for the purchase of one or more high-producing pure-bred cows. A three-way contract between the farmer, his bank and a local cheese factory has been devised to handle the transaction. The bank advances the money to buy the cow, the farmer giving his note. The cheese company agrees to buy the product of the cow, every two weeks dividing the returns due the farmer between him and his bank, this to continue until the note is paid.

Even if the goal of 100 cows is not obtained, there will be substantial improvement in the production abilities of Sullivan County milch cows. The county extension agent estimates the annual production of each Sullivan County cow at 120 pounds of butterfat. If this can be doubled, the gross dairy income will be increased more than \$1,000,000.

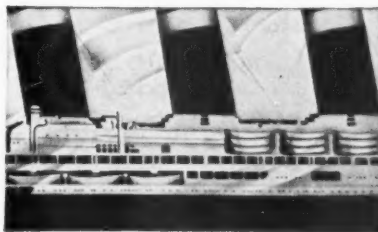
Other methods of stimulating the purchase of pure-bred cattle are used in other counties. In several, pure-bred bulls are given as prizes in contests.

While these are only a few of the plans adopted by Indiana business men to assist in bettering agricultural conditions, they are sufficient to show that business is not only interested in the farmer but is interested to the extent of doing something to improve his present situation.

—BILL STAHL



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Farm Relief Among the Ancients

THE greatest business of the people is agriculture. From agriculture the millet which is used for the sacrifice to God is produced; the density of population grows; the expense of the businesses is supplied; social harmony and peace arise; the multiplication of wealth begins; and the characters of honesty, great-mindedness, integrity and solidarity become a general habit of the people."

This statement of the importance of agriculture belongs to no modern farm relief speaker. It is from the pen of Duke Wen of Kno, who lived in China in 827 B.C., and may not have been original with him as farm relief had been a popular subject for at least a thousand years.

The welfare of agriculture has always been an important phase of any scheme of social organization, and modern leaders who care to go into the subject will find that many of the present plans and proposed plans for farm relief have been tried before.

One of the greatest orations ever delivered by that master of logic and oratory of Greece, Lysias, was delivered against the grain dealers of Athens about 387 B.C. in an attempt to get government regulation of their speculative practices.

An imperial price-fixer

IN 301 A.D. Diocletian of Rome gave his edict in which he fixed the maximum prices at which food as well as clothing and other articles might be sold. The death penalty was prescribed for anyone who sold his wares at higher prices.

The history of China and its policy toward agriculture is perhaps the most interesting and enlightening of any country. As China has been an agricultural country for thousands of years, the grain problem has been one of the greatest problems in its economic history. Early Chinese policy in regard to the price of grain was simple. If the price were too high it would hurt the consumers; and if it were too low it would hurt the farmers.

At the time of Shen Nung, 2838 B.C., the following was written, "The best policy is to follow the economic activities of man; the second is to lead them on profitably; the third is to teach them; the fourth is to regulate them; and the



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worst is to fight with them." What better economic teaching can the university department of economics in any state offer?

In an article written about 1100 B.C. the following was said, "A good statesman would keep the people from injury and give more encouragement to the farmers."

About the time this was written the Chinese Government inaugurated a scheme of government purchase of surplus food to store and protect against the lean years. Such policy, they said, "will prevent the price of grain from falling below the normal and keep the farmers from injury." What could be more up-to-date!

Prices fixed by government

QUOTING from the law which established this surplus control system: "Prices are controlled by the government. All goods have a fixed price which differs only according to the quantity. In this way the buyers are encouraged to come in. There is the Master of Merchants in every 20 shops to fix the price according to the cost. When there is any natural calamity the merchants are not allowed to raise their price. By the raising and lowering of price the Government controls the supply. When a thing is not in existence the Government causes it to exist. When a thing is useful it causes it to be abundant. When a thing is harmful it causes it to be extinguished. . . .

"There is the government bank to buy the goods which the people cannot sell and to lend them out when the people need them. In this the Government adjusts the demand and supply, and prices are kept at a fixed level."

In this we have embodied all of our cost of production, war-time profiteering, and surplus production problems. This scheme lasted about 50 years more or less successfully.

During the Chou dynasty the lending of grain to the people was a policy for winning their hearts. Therefore, it was practiced by many noble families such as the Han of Cheng, the Yo of Sung and the Chen of Chi. As a result they all became controllers of their states. Substitute the names of the big money lenders today and the statement is again most modern.

In delving into these sources of information on ancient agricultural policies one cannot help but be amazed at the similarity of today's plans and policies with those of centuries ago.

—J. O. CHRISTIANSON



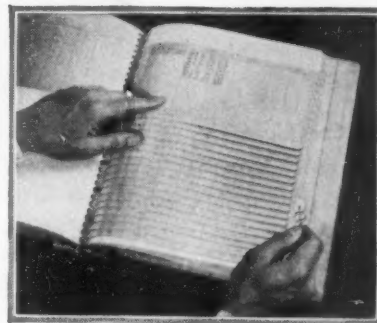
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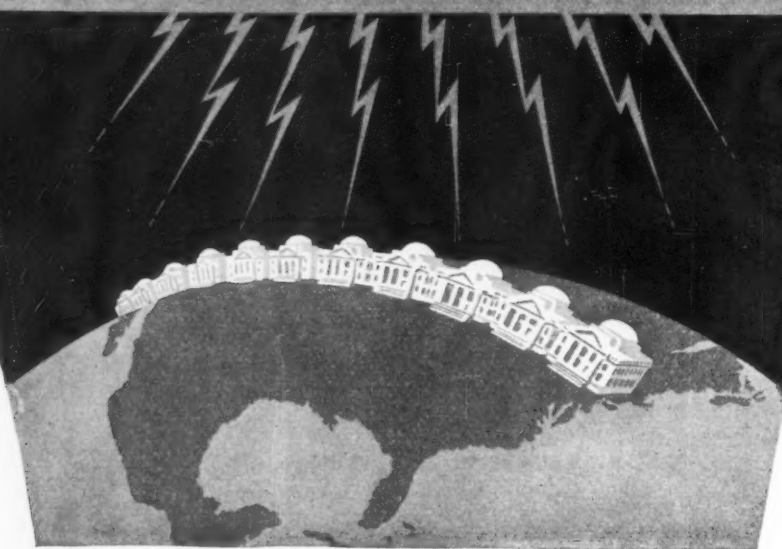
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What Wall Street Is Talking About

By MERRYLE STANLEY RUKEYSER

WITH the fear waves generated last fall long since dissipated by the zephyrs of spring, observers, turning their thoughts from calamity, are wondering how good business will be in the longer-term period that lies ahead.

The prosperity of the last decade in the United States was supported by consumption at home on a new high level. Mass production was backed by mass consumption, which was made possible by high wages and new methods for partial-payment buying. So large are the possibilities for expansion of output through technological improvements that the major issue has shifted from production to problems in advertising and selling. Thoughtful business leaders recognize that mere persuasion is not enough; they know that human desires, to be effective, must be reinforced by buying power.

In inaugurating the new cooperation between Government and Business after the Wall Street panic, President Hoover recognized the fundamental importance of high wages in the new economic setup in the United States, when he made his plea against wage reductions as the cardinal principle in his stabilization program. The new stimulus to business must ultimately come from still higher wages so that demand can once more equal supply, which has been potentially enormously increased by new business methods.

The great stimulus of the last decade was in the rise in the standard of living, which has been brought to a level unrivalled in other countries or in other periods in history. And yet the opportunity exists for business to diffuse the new comforts of life more widely among the lower strata of society, which are still separated by a wide gap from the more fortunate classes.

THE tremendous rate of growth in business during the last decade outstripped the increasing needs resulting from mere population increases. New industries, such as the automobile, the radio, the

airplane to a lesser extent, the new standards in homes, especially the drift to the suburbs, and the new factor of obsolescence, under which the affluent rejected useful products after they had ceased to be fashionable, all gave an enormous impulse to the national buying power. Where will the new impulses come from in the years that lie ahead? Will they originate from such developments as the commercialization of television, or from the popularization of goods and services not yet conceived?

Probably to some extent, but my own feeling is that the expansion of the future will to an increasing extent consist of making available to additional less fortunate groups of population at home and abroad the already familiar products, which will be enormously improved in quality and cheapened in price in accordance with industrial tendencies already at work

partner of Lehman Brothers, New York bankers, thinks that the stimulus to business in the coming decade will come from overseas trade. In his new book, "America Looks Abroad," he expresses the keynote as follows:

"The new factor that promises most to do for the next decade of American business what the automobile, building obsolescence, and instalment selling did for the last, is world trade—really an old factor which has already contributed substantially to the prosperity of the country. World trade holds forth possibilities that can make the immediate past seem only a small beginning in the history of America's material progress. And world trade promises to bring many radical changes in America's industry and foreign policy that must be of major importance to every observer of the American scene."

PAUL M. MAZUR, capable young

AMERICA is at the threshold, where it doubtless must choose between con-



The architect's drawing of the new home of the Curb Exchange

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IMPROVED facilities that will permit the handling of record volumes of business will distinguish the new home of the New York Curb Exchange. The building will occupy the present site in Trinity Place, rising 225 feet above the sidewalk and extending 35 feet below



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flicting ambitions. Is it to lay chief emphasis on international financial or international trade aims? Is it to continue to be a great creditor nation or is it to become a still greater exporting nation?

The War transformed America from a debtor to a creditor nation. With 40 per cent of the world's gold supply in its lap, America still seems destined to play a creditor rôle, especially inasmuch as the war debts have been postponed for an extended period. And yet America lacks some of the qualities of a traditional creditor. In the first place, unlike England before the war, it is confronted by no dearth of opportunities for the prudent investment of capital at home. Secondly, instead of being willing to have an unfavorable balance of trade so that debtors may get the funds with which to pay interest and amortization charges, the country at heart is much more interested in continuing and increasing the favorable trade balance.

THERE are other phases of the dilemma. Even from a strictly trade standpoint, it must be recognized that the currents of commerce must run in both directions. In the long run, customers pay for our exports with imports to us, yet individual interests here clamor for a tariff wall so high as to discourage imports.

These anomalies express themselves in roundabout ways, which are not always clear to superficial observers. Since it is difficult for certain outside debtor countries to get dollars to pay for our products, they take American products for which there are no substitutes, but in times of stress discriminate against American products such as wheat, which may be acquired in other markets.

For example, the business recession and the punitive central bank policies, which recently have been abandoned, discouraged European imports of the great American agricultural staples. Since last summer cotton exports from the United States to Europe have fallen off 16 per cent as compared with the corresponding period a year ago, and wheat exports 70 per cent. Wheat purchases of Europe were cut down partly because of increasing home production. Moreover, Europe reduced its accumulated stocks as a method of resisting the price-boosting efforts of the Canadian wheat pool and the Federal Farm Board in the United States.

AS FAR as near-term business pros-

pects are concerned, the stock exchange since December, regardless of week-to-week vicissitudes, has reflected growing confidence that the modern system of business organization in the United States would endure, and that such recession as has occurred was only a temporary interruption of substantial long-term progress. The advance of stock prices without a proportionate increase in brokers' loans indicated strong buying by discriminating individuals operating within their means, whereas the gradual decline in stock prices last September while brokers' loans continued to soar to unprecedented peaks told the very reverse story of the transference of stocks from strong hands—from outright owners—to weak hands, who were borrowing to buy.

The resumption of normalcy may be seen in the picking up once more of the threads of bank mergers which had been temporarily dropped, in the proximity of new railroad groupings, and in the further tendency of industrial corporations to make such structural changes as will heighten their operating efficiency and their competitive status.

The proposed union of the Standard Oil Company of New York and the Vacuum Oil Company is of the last named category: an attempt to put together companies which complement each other through making allied products in the same industry.

THE approval by the Interstate Commerce Commission of the Northern Pacific-Great Northern merger and of the absorption of the Buffalo, Rochester & Pittsburgh by the Baltimore & Ohio is the forerunner of numerous important railroad unifications. The publication in December of the final plan for mergers of the Interstate Commerce Commission was far more than an academic gesture. Insofar as the Commission's plan corresponds with the ideas of owners, it imparts an enormous impetus to railroad weddings through giving the stamp of implied public approval of specific groupings.

Heretofore, the applicants were in the position of promoters who had the burden of showing that their pet schemes were charged with public interest. Now the very fact of advance sponsorship of the same grouping by the Commission is considered by railroad financiers as a *prima facie* indication that the merger is in the public interest, within the meaning of the term as set forth in the enabling act, the Transportation Act of 1920.

After a tentative groping for a formula, numerous railroad mergers in

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INVESTMENT SECURITIES



at least partially completed stages seem near fruition. The great Van Sweringen plan to tie together the roads now under the control of the Cleveland brothers may well be consummated before the end of the summer, and other western projects may also soon come along. The general idea of railroad financiers seems to be to go along with the Commission insofar as they are in agreement, to achieve what has already been tentatively approved, and then later to seek to gratify additional ambitions.

The Pennsylvania group, which purports to favor natural mergers, but which is cold toward "pulmotored" unions, has expressed the view that the whole railroad map of the country will not be remade for another decade, although it recognizes that specific consolidations may soon be accomplished.

LIKE his townsmen, the Van Sweringens, Cyrus S. Eaton has set himself up as a responsible, active owner of corporate securities, intending not merely to hope and wait for prosperity, but to make actual contributions to the well-being of companies in which he and his associates have bought a substantial interest.

His most notable achievement thus far has been the consummation of the Republic Steel merger, which is an attempt better to organize the independent branches of the steel industry. In time, Mr. Eaton doubtless will seek to put the rubber industry on a more profitable basis. It was recently announced that his group had acquired control of the Goodyear Tire & Rubber Company and he has wide interests in other rubber companies. He has been described as the largest owner of rubber securities in the United States.

New personalities are looming up in the rubber industry, which has suffered somewhat in the past from the conflicting aims of prima donnas within the fold. The du Ponts of Delaware are now seeking to build up the United States Rubber Company, having changed the management last year.

THE recent decline of the rate on ninety-day commercial paper below the bond-yield line was regarded as a signal to buy bonds. The signal was followed by a gradual advance in bond prices. The failure of bonds to advance more rapidly in recent months is partly ascribable to the fact that the banks, which are normally heavy bond buyers, have been saddled with very heavy collateral loans, although recently there

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has been some progress toward reducing the total.

Another factor which retards the recovery is the change in investment habits. In spite of the panic, some individuals and institutions, who in the more remote past were exclusively bond buyers, are now acquiring selected common stocks for purposes of long-term investment.

My own feeling is that neither stocks nor bonds satisfy all investment needs. The average investor needs a balanced, not a lopsided, investment diet, consisting of cash, short- and long-term bonds, preferred stocks, and common stocks. The astute investor will of course vary the proportions of each in accordance with shifts in the trade and financial cycle, but the less inexperienced operator, who invests wisely in the first place and then maintains his position will be hedged against contingencies.

POLITICAL price fixing has scarcely improved its standing among economists as a result of its record in recent years. The Canadian wheat pool and the Federal Farm Board have temporarily at least got far in the red in their efforts to keep up grain prices, though final judgment should be suspended until the end of the cycle.

The last stronghold of the price fixers—the Brazilian coffee valorization scheme—has fallen with a deadening thud, because the method ultimately resulted in the excessive accumulation of the commodity.

The Stevenson Rubber restriction plan in the British colonies was dropped because reduced output on British territory only invited increased plantings elsewhere.

The Cuba Sugar restriction plan was discontinued for a like reason. Curtailment in Cuba led to increased production elsewhere, especially in the Dutch colonies. These experiments tend to discredit the doctrine of fiat prosperity, which in theory is conceived and meted out by politicians.

In referring to the tendency of the Federal Farm Board to change customary marketing channels, a leader of the grain trade remarked to me:

"The only possible basis of compromise for some of the things being done at present is the plea that they are 'emergency' acts, and like most emergency acts they carry some hope of termination."

AMIDST the world-wide decline in raw-material prices—of wheat, corn,

barley, oats, cotton, wool, coffee, cocoa, even silver—copper stood apart. It resisted panics in stocks and excited liquidation in commodities. Regardless of changing economic currents, it stood at 18 cents a pound. And "relief" was brought to the copper producers without government aid as a result of their rationalization program.

And yet some doubt whether even such a program of attuning production to demand can indefinitely stabilize prices. The pegged price is likely to stimulate copper production in all parts of the world. Scarcely ever before have bankers been besieged by so many requests for capital to finance new copper mines.

MANY amateur speculators are poor sports. When they assume hazards, they see only the prospects of profits. Accordingly when losses occur, they become wrathful and want to smash the speculative machinery. If they were rational, they would know that speculation consists of the voluntary acceptance of risks in the hope of making a profit. Risk taking inevitably means that losses, as well as profits, may occur.

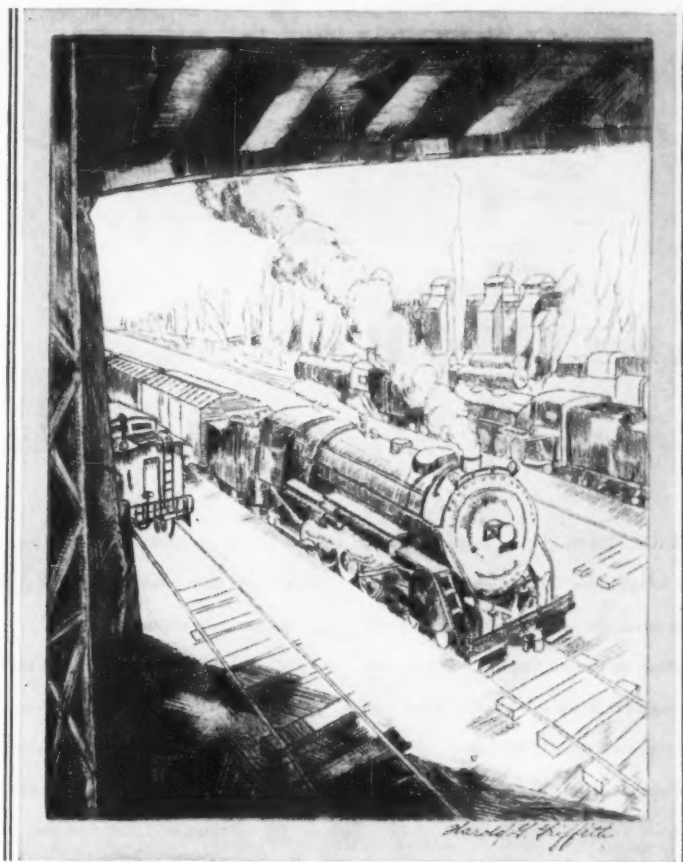
This poor sportsmanship has resulted in some criticism in the Canadian press of the Sun Life Assurance Company, which has been a pioneer in investing in common stocks. Under the leadership of T. B. Macaulay, president, the company has made a notable investment record, and has set up enormous reserves against price depreciation. Nevertheless, when the panic came and collateral shrank in value, the Sun Life became a target for criticism, much of it entirely unwarranted.

This criticism is likely to be taken to the Dominion Parliament. Kenneth R. Wilson, business editor of the *Financial Post*, Montreal, informs me:

"By and large, the recent criticism has been largely against the company's investment in common stocks. It now has over 55 per cent of its assets in this form. In this particular case, the company is so strong that this does not seem to be a weakness, but there is every indication that legislation is to be brought in at the present session of Parliament which would substantially curb the holdings which Life Insurance companies may have in common stocks."

IN defending his investment philosophy at the last annual meeting, Mr. Macaulay, the veteran president, said: "To imagine that because market

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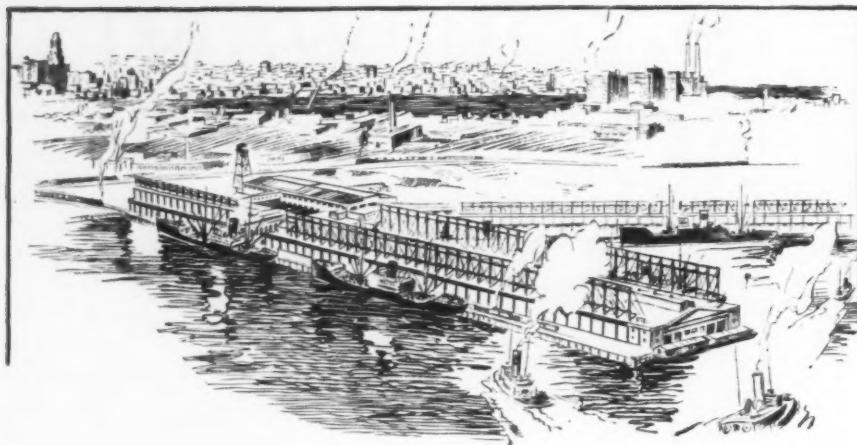
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prices in 1929 marched up a hill and then marched down again, this caused loss to any except those carrying shares on margin, is to remind me how an old friend told me mournfully some years ago that he had lost over a million dollars during the past 12 months. When I replied sympathetically, he added with equal mournfulness, 'Yes, I lost over a million by not buying stocks a year ago when they were low.' The losses supposed to have been suffered by permanent investors, such as the Sun Life, are like those of my jocular friend—they are not losses at all, but merely profits which we might have made had we known just when the peak was and had altered our practice so as to sell out at that time.

"When investing our funds, we look always to the distant future—10, 20, 30 years hence. Through our large stockholdings we have become permanent partners in the great utility and other corporations which furnish such essential service that they may almost be said to be part of the national life. We believe even more in the future of our entire nations—both Canada and the United States. What will they be 50 years from now? Does any one doubt their future?"

"WE HAVE hitched our investment policy to the star of this continent, and in particular to our great cities, and just as surely as they continue to grow and prosper, so surely will our investments grow and prosper. What need we care for the moods or pocketbooks of in-and-out speculators? Why should we reverse our policy and throw our great holdings on the market for some possible temporary gain? Could we be sure that we would ever get our shares back? We prefer to continue as permanent partners.

"We must, of course, consider market quotations when preparing our annual report, but our policy is so to undervalue our holdings that there can be a tremendous drop in prices without even reaching the figures at which our securities are carried in our accounts. Last year we announced we had a margin of \$100,000,000 to provide for just such a possible market crisis. . . . The blow has fallen, the slump has come, the values are marked down and we are in a stronger position than ever before in our history."

THE winter rally encouraged the temporarily silenced advocates of common stocks for long-term investments to

come out into the open again and resume their educational efforts. Edgar Lawrence Smith, author of the book "Common Stocks as Long-Term Investments," in a recent address before the Trust Company Division of the American Bankers Association, said:

"Certain stocks can be speculative enough over a short period of time, as recent history amply demonstrates, but the long-term, underlying trend in a well selected list of common stocks representing leading well-managed industries, has been consistently upward in this country for as long as the records are available.

"The hazard in diversified stocks is real and it is obvious, but it is a short-term hazard. The hazard in bonds and other maturing obligations, on the other hand, is not so apparent, and is, to a far greater extent, a long-term hazard. Those influences which affect the real values of bonds, such as a general change in the level of interest rates or a relatively permanent change of pronounced proportions in the purchasing power of the dollar, are slow to develop. They can be of substantial proportions, but they steal upon the investor in ways which obscure their consequences until it is too late to deal with them effectively."

◆
INVESTMENT safety is attained through diversification. But how much diversification does the average investor need? One leading analyst believes that the investor ought to confine himself to the number of securities that he can watch carefully.

"I do not think," he said, "that an individual without special facilities for investigation should hold more than ten or 15 different stocks."

◆
THE decline in bank debits and bank clearings reflects reduced financial and speculative activity.

◆
IT HAS become increasingly fashionable for foreign governments to seek the advice of American financial pathologists. Dr. Charles S. Dewey, who is financial advisor to Poland, in reporting progress in debt curtailment, said:

"Reduction in government expenditures means reduction in revenue requirements. Reduction in revenue requirements means an opportunity to reform the revenue system and reduce taxes. Reform in the revenue system and reduced taxes mean increased

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initiative and private earnings. Increased initiative and private earnings mean increased working capital and reserves. Increased working capital and reserves bring lower interest rates, higher wages and greater purchasing power."

SINCE the turn of the year, numerous industries have shown signs of revival—partly seasonal in character. The automotive industry, with its eye on the calendar, resumed operations. Forecasts are that the industry will turn out 4,600,000 cars this year—a high mark except in comparison with 1929, when a million more vehicles were turned out. The slight improvement in building in January was contrary to the seasonal trend. These influences helped the steel industry, which was also bolstered by good railroad buying. But through the winter, business as a whole was subject to cross currents, and gave evidence of being in the trough of recession. The spring season is likely to bring a more definite turn.

THOMAS D. CAMPBELL, of Montana, the country's biggest wheat farmer, though bullish on wheat after the prolonged decline, told me that he would rotate crops this spring, and plant his vast acreage in flax, which brings a far better return.

He also advised other farmers to consider rotating wheat with flax and soy beans.

THE quickened rate of decline in raw-commodity prices between the middle of January and the last week in February caused considerable concern to the financial and business world. It was regarded as indicative of a curtailment of buying power by vast sections of population at home and abroad. Of course, there is no assurance that prices will be equally depressed when the crops move from the farms in the summer and autumn.

The commodity-price decline was an effect of the business recession and of the punitively high central bank rates. The new policy of easy money should tend to bring price stabilization, and business recovery should be followed by stimulus to commodity prices where the statistical position of individual products is not too discouraging.

EDWARD J. CORNISH, president of the National Lead Company, who never



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purports to be a professional optimist, remarked in his annual report:

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Mr. Cornish was asked whether a previously reported merger with a paint company had been, or would be, consummated. He replied that there would be no such merger, adding, "Merely because a young man invites a young lady out for a walk and buys her a soda, it does not follow that they will get married."

PROF. IRVING FISHER, of Yale, bull economist, in his new book "The Stock Market Crash—and After" ascribed the debacle to too much consciousness of prosperity.

"I have shown," he pointed out, "that the factors leading to the crash of the American stock market were not factors of depression, but of prosperity, unexampled prosperity. They were factors identical with those which should bring about the recovery of the long bull market, that had lasted with but minor interruptions from the close of 1922.

It was, in the main, over-eagerness to profit by these factors that produced the crash. The prime fault lay in the credit structure.

"Just because there were golden opportunities to invest, opportunities for future dividends and profits that were not illusory but real, there had been an undue haste, and undue eagerness to invest, and people had tried more and more to do business on borrowed money."

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MARBLE is being sawed out of an Arkansas hillside by means of a quarter-inch steel cable, 1400 feet long, which is driven by a four-cylinder engine at the rate of 20 feet per second.

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A Day With a Compensation Board

By MILDRED G. DURBIN

DESPITE all precautions, accident and injury stalk the activities of humans, bobbing up in the most unexpected places to bring pain to the victim, confusion to his business and perplexity to those whose duty is to settle controversies arising out of workmen's compensation.

A teacher, eating lunch in the school cafeteria, shatters a tooth on a piece of metal found in a nut salad. Should he receive compensation if employed in one of the 43 states that now have Workmen's Compensation laws?

That was one of the problems brought up recently when I spent a day in the hearing room where claims for injury were brought before a board. It was much like a day in court. Only the jury was lacking, its place being taken by three judges. There was a bailiff but the familiar "Hear ye! Hear ye!" and other formalities were missing.

The Board, three kindly men, hear only unusual and difficult claims. Those that present no baffling questions are ground out by clerks.

The waiting line of injured

ABOUT the walls sat the victims of industrial accidents, some pitiful, some defiant, a few frightened.

"Claim Number 1,878,456," the chairman read, and a middle-aged man, leaning heavily upon his son and the bailiff was assisted to a seat in front of the Board. No need to tell us that his body was held upright by a metal brace. We heard it creak as he sank into a chair. Injured by a fall of slate in a coal mine, he will never work again and the Medical Department recommended that he be declared a "permanent total." The Board approved the recommendation and he will receive a pension for the rest of his life.

The next claimant was a healthy-looking young automobile mechanic. While lying on his back under an automobile, adjusting a shock absorber, a five-eighths inch nut dropped into his mouth and went down his throat. He recovered from the operation that was

necessary to retrieve the nut. The Board allowed compensation for time lost and ordered the medical and hospital bills paid.

Similar to this was the claim of a woman employed in altering dresses in a large department store. She thought she swallowed a pin and the store manager ordered an X-ray picture taken. As it showed no pin, the Board denied the bill of \$10.00 for the X-ray.

Small chance for half a man

"WE CALL it 'the Mourners' Bench,'" whispered the bailiff as a battered but energetic-appearing man took the chair in front of the Board. This claimant was singularly unfortunate. In various accidents he had lost one eye, one arm and one leg. The injury for which he came before the Board was a fracture of the good leg which resulted in two inches shortening, and he had the artificial leg shortened correspondingly.

His compensation and doctor bills had been paid. "You must find work now, George," said the Chairman.

"Give me a job, mister, give me a job," the poor unfortunate begged. But who will hire half a man?

Next came the school teacher. The Board refused to pay his dental bill as he was not injured in the course of his employment.

But a detective who got a bone in his throat while eating lunch and watching a suspect was allowed his medical bill. He was working while eating.

A traveling salesman was paid compensation because of injuries he received while escaping at night from a burning hotel, but the widow of a driver, delivery man and salesman for a dairy company, who was killed while grappling with a bandit in a restaurant where he was eating an early breakfast received no compensation.

A traveling salesman who slipped on the soap in his hotel bath tub and broke his arm was denied compensation. His work might necessitate cleanliness, but he was not in the course of his employment—only preparing for the day's work.

One whose fingers were frostbitten

while driving to see customers in a northern state was paid compensation, and another traveling salesman who fainted while driving his car and was injured when it went into a ditch received an award.

There were several impostors. A strong-looking young man rolled up his shirt sleeve and proudly exhibited the old scars of an injury saying "You see I can't work."

"Surely you can do something," said the Chairman. "Not long ago a young man had his right arm taken off. Before the stump had healed he had learned to write with his left hand."

But our claimant continued to turn his arm this way and that to show his scars and protested he could do nothing. His compensation was stopped until he would obtain some kind of work, and if his wages are less than he earned before the injury, he will receive two-thirds of the difference.

A short, stout Hungarian who worked for a great steel company sprained his back. He appeared healthy, but was irritated when questioned, fidgeted continually and had a far-away look in his eyes. The Company's representative explained the real trouble was that the man was homesick to see his family in Hungary and it was finally agreed that the claim would be closed by the company giving him transportation to his old home.

Victims of the practical joker

THAT bane of safety departments of all large plants, horseplay, was much in evidence.

A stenographer lost an eye by being struck by a paper clip, thrown playfully by a fellow employee. Her claim was denied as the injury did not arise out of her employment.

A bell boy in a large hotel was taking a nap and the telephone operator passed a bottle of smelling salts under his nose. He threw up his hand, struck the bottle and splashed some of the contents into his eye. He was disabled two weeks.

The greatest tragedy of the horseplay

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is the trade mark name of the products of our fibre mills and designates a material of extreme toughness and mechanical strength.

Hard, pliable, easily shaped or machined.

Leatheroid is sold in sheets—rods and tubes and is fabricated by our manufacturing departments into various types of receptacles, either standard models as described below or special construction to meet individual requirements.

BOXES—

for storage and conveying materials, parts and finished goods to and from machines, etc. by hand, conveyor or lift. These boxes are strong, easy to handle, built to stack (empty or loaded). Made in several sizes and weights. Save time, space, and labor.

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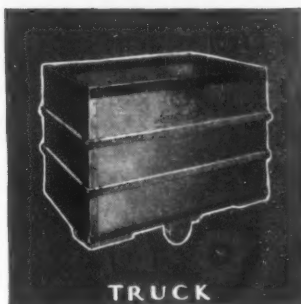
for storage and handling purposes, material distribution, waste, supplies, etc. Smooth inside and out, will not splinter, easy to handle, extremely durable. Tight construction for handling powders and flours. Strong for machine parts and heavy material. Free from projecting rivets and splinters, for fabrics, yarns, etc.

Write for Leatheroid catalog and for any information regarding receptacles or fibre. Our engineering department will cooperate with you in adapting our products to your requirements

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TRUCKS—

for all inter-department transportation purposes, made in several constructions and sizes. Fitted with standard easy rolling castors or rubber tired silent castors as required. Used in factories, warehouses, stores, hotels, public buildings, etc. Will not sag, spread or splinter. Bottoms will not pound out.

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sheets, tape and rolls. Highest test in mechanical and dielectric properties. Recognized standard in the electrical industry.

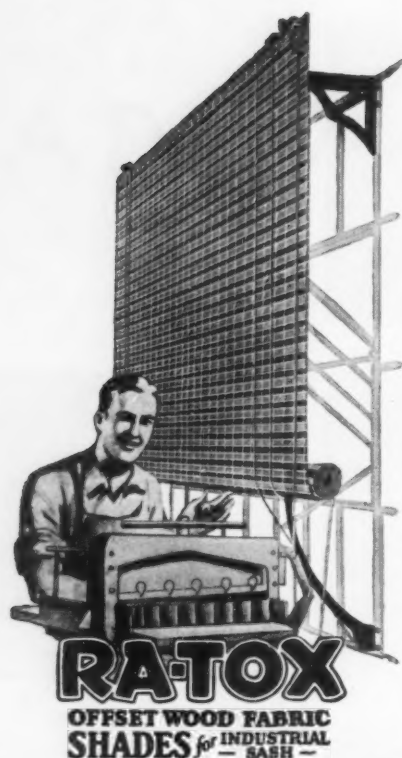
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Our engineering department is at your service.



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Send measurements for complete information and estimate
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IDEAL

POWER LAWN MOWERS

claims was that of a little Italian who did odd jobs in a steel mill. High above him towered the cage of a crane, and from this perch the operators swung great tongs that lifted tons of steel. One day an operator amused himself by pursuing Tony with the big tongs.

Really frightened, he dodged in and out among the great furnaces and whirling machinery, the jaws of the giant tongs still pursuing him. At last he saw what he thought was a safe place. He crawled beneath flying belts, among speeding wheels that were not guarded because not exposed in the work. There, when the wheels were stopped they found his mangled body.

How such Boards must wish for the wisdom of Solomon!

"We are only instruments of the Law," explained one of the members during the noon recess. "If we could follow our inclinations we would give compensation to all but the impostors. We can pay compensation only as the law directs and must be impartial between employer and employee."

When we returned for the afternoon session the hearing room was filled with another array of claimants.

A clerk in a suburban grocery, who left the store to get a bill changed for a customer was bitten on the arm by one of the squirrels that infested the elm-shaded neighborhood. His medical

bill—the only claim made—was paid.

A caddy who was struck on the leg by a golf ball and disabled, received compensation, but one whose neck was severely burned by exploding firecrackers thrown by other caddies did not.

The hearing room is empty now except for a tired-looking mother and her three little girls in faded but clean cotton dresses. The husband and father was a truck driver. While passing a lake his attention was attracted by the screams of several small boys. A playmate was drowning. He left the truck, plunged into the lake, grabbed the drowning boy, but they went down together.

"We are sorry—we can't give you compensation—he was not working," said one of the members of the Board, but added quickly, "We will see whether we can get something from the Carnegie Hero Fund for you."

"In a similar case last year," whispered the bailiff, "they got more for the widow than they could have paid from the compensation fund."

Every claimant had gone, the bailiff settled back in his chair and lighted a cigaret.

"What an interesting place to work," I exclaimed.

"Aw, fairly so," he replied, "but it's monotonous. I'd like to work where something really happens."

Show Marks Aircraft Progress

ONE hundred and seventy thousand persons attended the nine-day session of the 1930 International Aircraft Exposition at St. Louis, Mo., February 15-24, inclusive. Over \$2,500,000 worth of planes and aerial appliances were shown under 300,000 square feet of roof space. Sales during the exposition amounted to \$3,000,000.

The exposition, according to those associated with the aircraft industry, marked a definite step towards "pure business" in the industry as distinguished from freakishness. In other words, rational undertakings rather than "stunting" were the order of the session discussions participated in by leaders. In all, 30 informative sessions were held during the period of the exposition.

The largest ship shown at the exposition was a Curtiss-Condor, an eighteen-passenger machine priced at \$95,000.

The smallest was an "Aeronca," described by some of those attending as a "power-glider," and, in the opinion of its manufacturers, foreshadowing a new era in flying. The "Aeronca" has the ability to operate at a fuel consumption cost of one cent per mile and a performance record that compares favorably with larger machines. Its two cylinder motor develops 36 h. p.

In all, 81 planes were exhibited, 43 of which were of different types. There were 75 motors on the floor and a huge display of accessories.

"In all my experience with exhibitions," said Cliff W. Henderson, manager of the show, at its conclusion, "I never witnessed a more favorable turnout or more enthusiasm on the part of visitors than has been shown here."

"Many exhibitors have applied for spaces twice as large at the next air show."

—JOHN L. COONTZ

American Business in Russia

(Continued from page 62)

designated concessions appear to have real opportunities in Russia today.

I have devoted most of my discussion to concessions calling for substantial investments, partly because my work in Russia was in connection with this type of concession and partly because such concessions alone bring out fully the present Russian economic situation. Most concessions under which American firms are operating in Russia today, are, however, of a wholly different character. Most of them are simply contracts for engineering and other technical services to be performed by the concessionaire.

The recent Ford contract is the best known of these. Under this contract the Ford Company, in consideration of an order from the Soviet Government for 30 million dollars' worth of Ford automobiles and tractors made here, has agreed to assist the Soviet Government in establishing and operating the proposed automobile plant in Russia, along Ford mass-production lines.

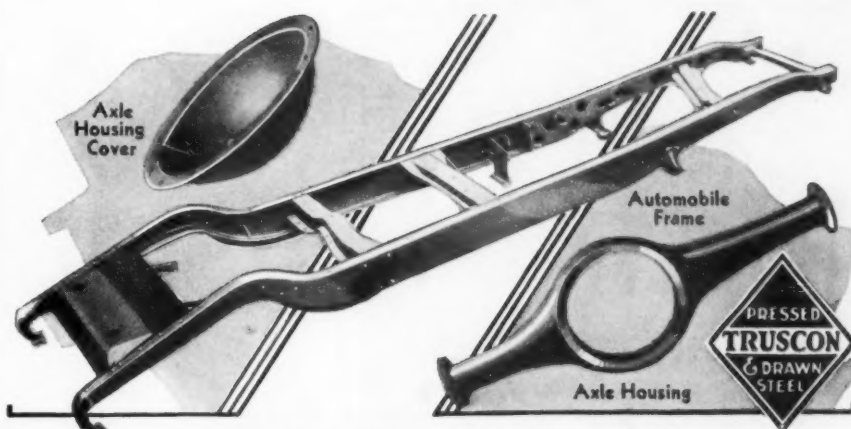
Profitable concessions

A NUMBER of other American firms are operating under concession agreements for giving technical assistance. Important among these are the Hugh L. Cooper Company concession for engineering services in the construction of the Dnieperstroy hydroelectric development on the Dnieper River; the Freyn Engineering Company concession for engineering services in the development of the Russian iron and steel industry; and the Stuart, James and Cooke, and Roberts and Schaefer concessions for assistance in developing the Russian coal-mining industry.

The usual form of payment provided for in these agreements is cash installments spread over the period of the concession agreement. Concessions of this character calling for a relatively small investment are highly advantageous to the concessionaire. If the Soviet should fail on any of the stipulated payments the concessionaire's loss will not be great.

If, as now seems more probable, the Soviet carries out its side of the contract in good faith, the profits will, in most cases, be considerably greater than from contracts for similar services in the United States.

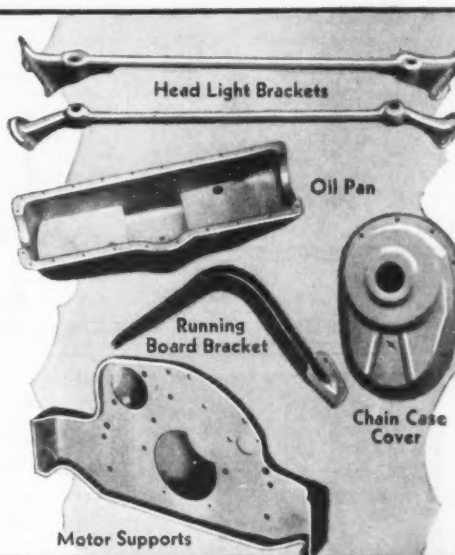
I frequently have been asked whether



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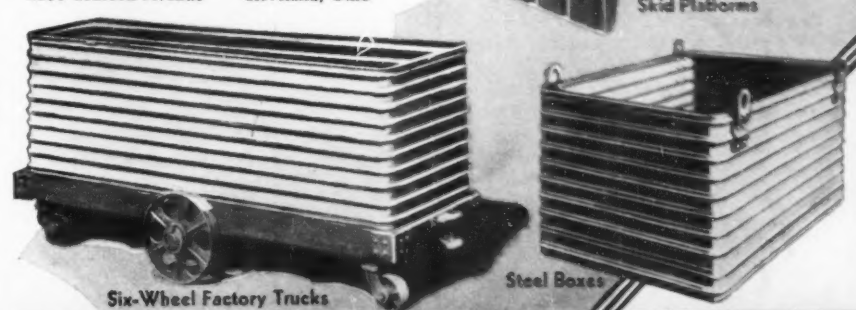
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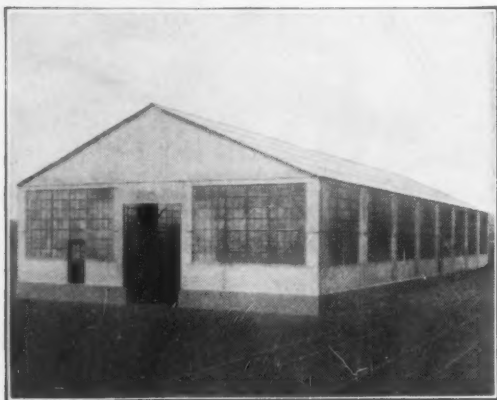
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American concessionaires are not at a serious disadvantage as compared with other concessionaires because the United States has not recognized the Soviet Government. It would doubtless be of much benefit to many American business men if the United States should recognize the Soviet Government, and I believe that the Russian authorities would go far toward meeting the American claim for compensation to obtain recognition at this time.

But the handicap of nonrecognition is, in my opinion, fully offset by the good will for America and the admiration for American mass production and prosperity which is apparently shared by all ranks—from commissar to street urchin—in Russia.

Admiration of America

IF LENIN is Russia's God today, Ford is its St. Peter. Stop to look at a store window in Russia, and your western clothes may make you the object of unfavorable and perhaps even hostile attention. But say the magic word "Amerikansky" and the atmosphere immediately changes to that of friendly interest. Famine relief, the traditional friendship between pre-revolutionary Russia and the United States, the canonization of American industrial efficiency, all have contributed to this good will.

The huge exports of the United States to Russia are impressive evidence that lack of recognition is not an insuperable barrier to extensive commercial relations. In 1928 these exports amounted to \$96,717,000. For 1929, it is estimated that they considerably exceeded 100 million dollars, as compared with 40 millions in 1913.

Amtorg Trading Corporation, and the All-Russian Textile Syndicate Incorporated, American corporations controlled by the Soviet Government, are the largest exporters of American products to Russia.

Russians require more credit

EXPORTS from the United States to Russia would be more than doubled if more American manufacturers were ready to grant the usual terms of credit (25 per cent cash, the remainder payable in three annual instalments) which the Russian purchaser is forced, by lack of liquid capital, to demand.

The crying need of Russian-American trade is an American finance corporation similar to the Commercial Investment Trust Corporation which will finance the Russian cooperatives and

State Trusts as commercial and similar companies have financed the American instalment purchaser, namely by buying the instalment paper, at an appropriate discount, from the manufacturer and dealer.

Such a centralized credit agency could afford to maintain the staff necessary to analyze and keep abreast of economic conditions in Russia, to arrange for credit insurance, and otherwise to work out a sound policy of Russian-American finance.

The severe restrictions on the freedom of speech and assembly and the police-spy system which still prevail in Russia are extremely obnoxious to an American.

But our antipathy to these should not blind us to the immense economic strides that Russia has made and is making. Those who persist in believing that Russia is an economic chaos presided over by soap-box orators and bloodthirsty terrorists are almost as absurd as those who still cling to the myth that Soviet Russia "nationalized" its women.

The United States has what Russia needs—surplus capital and the technique of mass production.

Whether recognized or not, Soviet Russia, with her vast resources and energetic leaders, will probably continue, and to an increasing extent, to be an important field for American business and investment.

An Open Secret

A GOOD many people would like to know how Robert J. Murray does a "\$500,000 retail business in a 5,000 town." The town is Honesdale, Pa., 32 miles east of Scranton and 135 miles from New York City. Its prosperity flows from the dairy industry, and there's no secret about Mr. Murray's success.

He has discovered that advertising of a "personal column" nature has accelerated the growth of his business; that women purchasers are a mighty important influence in retail trade; that farmers insist on brands and quality merchandise even more than town people do; that a farmer, more than a city customer, is likely "to stay sold, once you have convinced him that your merchandise is right."

Simple and familiar as his "discoveries" may seem, they invite repetition in the light of their successful application.

—R. C. W.

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Necco Sweets Federal Match Battle Creek Foods Union Carbide

Pillsbury Flour Standard Brands, Inc. Kellogg's Borden

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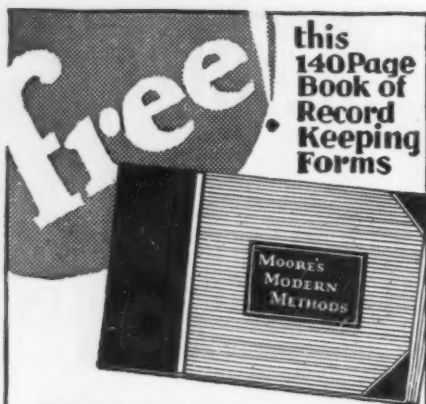
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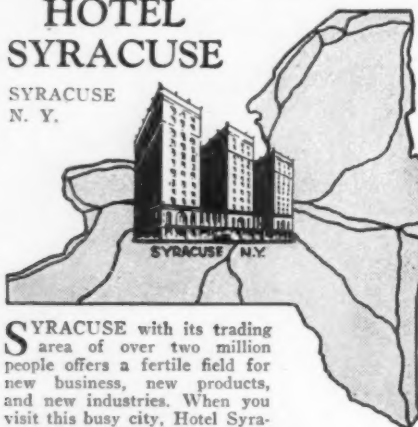
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King Cotton's Uneasy Throne

(Continued from page 45)

producing mixed-wool underwear and blankets and cheap rope and twine. One such manufacturer sat in his Boston office and told me that he wouldn't buy American short cotton, save in negligible quantities. He prefers Indian and Chinese cotton. He isn't unpatriotic. He is merely a good business man.

Mills import bulk of supply

AS a result, American mills buy some 65,000 or 70,000 bales of short-staple cotton from other countries annually—and these mills' total consumption of short cotton is only about 100,000 bales.

Even supposing that all the American short-cotton consumption were of domestic cotton—it wouldn't make much impression on a crop of nearly three million bales. Add to that the fact that we consume only about one-third of our seven-eighths-inch cotton at home, and it is clear that there is a menacing disparity in supply and demand.

This cotton is a drag not only on the short-cotton market, but on the market for our better staples as well. It is causing European and British consumers to seek elsewhere for a future supply of cotton to replace the plainly deteriorating staples of America.

Since the war, the British mills have annually consumed some 900,000 fewer bales of our cotton than during the pre-

war years. In this market, according to Dr. B. Youngblood, principal economist with the Department of Agriculture, we have lost business on long and medium staples amounting to an average of 20 million dollars annually. We have lost this business to countries which now produce cotton ranging from nearly one inch to one and one-eighth inches or better—the same staples on which our supremacy first was founded, and of which we are gradually producing less and less.

Europe, to which we have long sent our medium staples, including the surplus of seven-eighths inch cotton, presents a picture not much brighter. Here the annual consumption of American cotton has fallen 133,000 bales, and this decline is nearly twice that suffered by any other single country selling to the European mills.

We are losing this business on medium staples in the better mills of the Continent. We are, on the other hand, gaining some business among the coarse-grade and short-staple spinners of southern Europe, and in this latter market we come into direct competition with India.

In the heyday of America's cotton power, the gap between our staple length and that of India protected our crop against competition. The soil of India was so poor that for centuries it produced cotton no longer than one-



Under the system of "hog-round" buying, the farmer has no accurate classification of his cotton. He sells good with poor

EWING GALLOWAY

half to five-eighths inch, and in no greater quantities than 80 to 85 pounds per acre.

India's scientists, however, were not asleep. They worked continually, first to prevent what seemed certain deterioration of the Indian crop, then to improve it in quantity and quality. Last year India grew more seven-eighths inch cotton than ever before, and it is this cotton which is giving the American crop its stiffest competition in the short-cotton markets.

It is doing this not only in the markets of southern Europe, but in the Japanese market as well. There is where it hurts! Japan has long been one of the best consumers of American short cotton. Japanese manufacturers heretofore always have liked American cotton. But they are beginning to admit that India's cotton is better than our short staples.

So, while we are annually selling Japan 577,000 bales more than we did before the war, India is selling her 754,000 bales more! In fact, out of a total consumption of more than 2,500,000 bales yearly, Japan gets 1,527,000 bales from India and only 813,000 bales from America. Today the Japanese mills are using more seven-eighths and fifteen-sixteenths inch cotton, and are demanding better grades. India is in step with this improvement. America is going in the opposite direction.

Where the blame reposes

WHY DO we continue, then, to raise more and more short, sorry cotton? Who is responsible? The first answer usually is, "The farmer, of course."

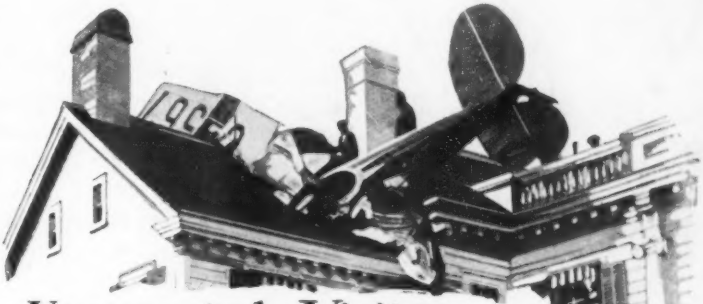
That answer is wrong. The guilty party is the market.

Under the present marketing system, cotton is bought on the street, in small-town or primary markets, by local buyers who purchase almost wholly on grade, with little or no regard for staple.

They buy, furthermore, on a basis of the general grade and length produced in their particular communities over a period of years—on what is better termed the community-level or "hog-round" basis. They know little about grade, and usually nothing about staple. So they set their bids low enough to protect themselves from poor guesses.

Under such a system, the farmer has no accurate classification of his cotton. Only the cotton merchant or broker in central cities such as Dallas, Houston, Memphis or Atlanta can afford to hire an expert classer.

The farmer's cotton is sold on this "hog-round" basis for another good



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These and other exclusive features are found only in the Arch Preserver Shoe. They cannot be duplicated because they are patented. Distinguished styles and choicest materials in Custom Grade at \$12.50 and up. Other grades \$10.

Send for booklet and name of dealer.

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The Selby Shoe Co., Portsmouth, Ohio

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reason—he doesn't know the value of his own product. A Department of Agriculture survey a few years back showed that 90 per cent of the farmers do not know grade and staple well enough to class cotton accurately. The advantage to those who do know cotton is \$12 to \$25 per bale.

But few of them are so fortunate. So the cotton merchant, through the local buyer, gets premium cotton almost as cheaply as he does the poor.

The farmer knows this, and his human reaction is that there is no point in growing good, long-staple cotton, at additional expense, when he receives more lint from and consequently about the same price per bale for shorter cotton.

Three remedies for this are suggested by the Government and students of the cotton industry—standardization of cotton and the raising of the community level and bulk selling; cooperative marketing; or revision of the present marketing machinery.

Scattered communities are following the first plan, and as a result, in some instances, their cotton is known in every market. Other communities are trying this system. Their efforts are opposed by the cotton trade, and they have further difficulty in getting co-operation of all the growers.

Disunited action fatal

A FEW recalcitrant growers expose their neighbors to the dangers of cross-pollination of seed by insects, and the subsequent hybridization of the good seed. In a few years the community staple length is again short; and even when it remains longer such hybrid cotton lacks uniformity of staple.

Still more farmers are adopting the second plan—cooperative marketing. Under this system, the farmer is advanced 60 to 65 per cent of the market value of his cotton when it is shipped to the cooperative's central warehouse. Experts then class the cotton, which is sold in annual, seasonal, or daily pools, according to the farmer's instructions.

The savings to the farmer under this system are enormous. The cost of cooperatives to the farmer-members ranges around \$2 per bale—more than offset by the saving on "country damage" (exposure to weather) alone. This damage is estimated by the Department of Agriculture to be \$2.50 per bale.

In addition to this saving, the cutting of bales and the removal of a total of five to ten pounds of cotton by various local buyers in "sampling" is elim-

inated, as the cooperative's classer takes only one sample.

Costs cut by cooperation

TRANSPORTATION, insurance, interest on money, warehousing, and all the other costly items for which the farmer pays so dearly under the street-buying system are lowered by cooperatives. To top all this, the farmer's cotton is sold for its true market value.

The advance of cooperative marketing was for a number of years retarded by that incubus of cotton farming, the credit system. Members could not deliver to the cooperative pools because their cotton was mortgaged—usually to the limit. In recent years, the Intermediate Credits Act has enabled cooperatives to obtain money at low interest rates to finance those members who wished to be freed of the credit bugaboo, and to market members' cotton under a just and accurate system.

As for the third remedy, the cotton trade itself has talked often and impressively of its desire for better methods within its ranks. But the fact remains that we are forced to produce a surplus of cotton that falls within a cheap and highly competitive market simply because cotton is still burdened with an antiquated marketing machine.

The Government last year set up a Farm Board, possessed of vast authority and funds, to help cooperatives keep agricultural surpluses off the market and to sell them when a profitable market becomes available. But it seems futile to buy up, say, a million bales of short cotton, for which there is but a small and decreasing market.

The Departments of Commerce and Agriculture are daily seeking new uses for cotton, and already have discovered outlets for hundreds of thousands of additional bales.

The third plan for returning this added increment to the grower, then, envisages revision of the present marketing system to provide for the accurate classification of cotton and for payment according to true grade and staple, in the producer's market.

Such revision can be made. It is doubtful if the farmer would derive all the benefits under such a revision that are now available to him under the cooperative plan; but it would at least prove the good faith of the cotton trade, would directly benefit the vast majority of cotton growers, and consequently would be the most vital step which could be taken toward placing American cotton back on its royal throne.

Let the Air-Minded Rule the Air

(Continued from page 30)

ulatory powers to some authority outside the present means of resolving difficulties.

Let us examine the source of this new agitation for more regulation. We hear that aviation is taking lives with alarming frequency. Planes crash and property is damaged. Mail, express, and freight are burned or lost. Well, are these mishaps peculiar to aviation?

You have only to look at your daily newspaper to find a convincing answer in the negative. Every week-end takes a heavy toll in automobile accidents. Ships are still lost at sea, and railroads, subways and interurban lines are not strangers to disaster.

But aviation is newer and its mishaps are more spectacular. It gets the emphasis in the horrors of the day. Do you know of any public concern over the 2,500 ships that have come to grief off Cape Cod?

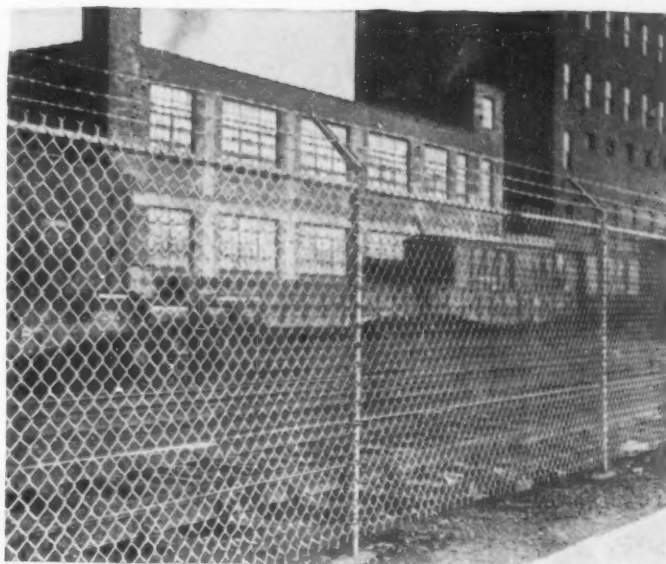
I want to see our air routes safe and serviceable in the fullest sense. I believe the regulation now in effect is adequate to that realization. Certainly I can find no virtue in dividing the authority of administration.

Authority must be centralized

WHEN individual responsibility can be avoided by recourse to the impersonality of groups, "buck passing" is the reasonable expectation. Aviation has no hope of proving the exception to that general conclusion. No good will come of diffusing authority for its regulation through several official atmospheres. We must keep this air-minded industry under an air-minded ministry.

It is true that the exploits and conquests of aviation have stirred up a good deal of loose talk. Writers play it up with fanciful and freakish appraisals. Every day some presumptuous seer breaks into print with his idea of the plane of tomorrow. It is all rather Jules Verne-ish. Anybody can be a prophet. Write your own order, and it will be as likely to come true as any other.

We need no "debunking" of aviation. But deflation of some people who talk and write so glibly about the future of flying would be welcome. The only certainty is that we will all be the losers if we allow aviation's spreading wings to be bound with the constricting coils of government red tape.



Designed for lasting Protection

NOT made for a day, or a month, or a year, but made to resist the destructive effects of time and weather, year after year! Pittsburgh Chain-Link Fence is designed to give *uninterrupted* protection to industrial property.

For twenty-nine years the Pittsburgh Steel Company has been making steel wire fence for every purpose. Pittsburgh Chain-Link Fence is a creditable achievement of these years of fence-making experience.


Made of the finest copper-bearing basic open-hearth steel, fabricated in the most modern of mills with the most modern equipment, and hot zinc-coated after weaving with a smooth, extra-heavy and well-bonded coating of pure zinc, Pittsburgh Chain-Link Fence represents all that can be desired in a steel-wire fence for property protection.

Erection service is available any place. Write for specifications and descriptive literature.

Pittsburgh Steel Co., Union Trust Bldg., Pittsburgh, Pa.



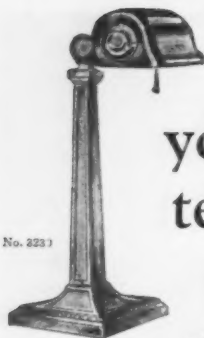
Pittsburgh Steel Co.

Pittsburgh New York Chicago Memphis  Detroit San Francisco Dallas

Pittsburgh Fence

CHAIN-LINK TYPE

When writing to PITTSBURGH STEEL CO. please mention Nation's Business



No. 2237

Do you count telegraph poles?

If you like to count telegraph poles, you're a fact-collector. We manufacture lamps, and our pastime is counting Faries lamps.

They are almost everywhere. We can't travel on trains, or go to hotels or offices or banks without having to add some more Faries lamps to our list.

They must be as good as we think they are. We know they're made right and priced right. And the slip-on shades are appreciated by everybody.

Do you want to see our catalog? Ask for "Business Lamp Section."



FARIES MANUFACTURING CO.
Decatur, Illinois

To Prevent You From Losing Your Money

This book was written

WATCH YOUR MARGIN ANONYMOUS

Introduction by W. E. WOODWARD

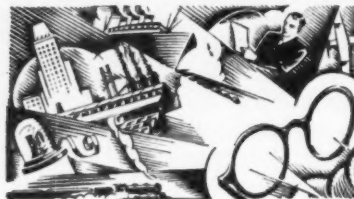
The successful Wall Street operator who wrote this informal, chatty book will not reveal his name because he wanted it published not for personal fame, but to keep you from losing your money. He learned how to beat a hard game (when the recent crash came, he did not own a single share of stock on margin, contrary to his usual custom); he wants every one to profit by his knowledge.

You owe it to yourself, to your family, to your friends—to read this book! Just Published \$2.50

To your book seller or
Horace Liveright, 61 W. 48th St., N.Y.C.
Please send me . . . copies of

WATCH YOUR MARGIN
at \$2.50 each. (Add 10c for postage)
Name _____
Address _____

THROUGH THE EDITOR'S SPECS



DEAR MR. SAUNDERS:

I have read every word of "Me and that Jones Fellow." You have narrated the main events of a battle which has been hotly waged since the beginning of time. Criticism—i. e. the contemporary judgment, which everyone must face—is seldom correct. I will quote you something with which you are doubtless familiar—Sidney Lanier.

What possible claim can contemporary criticism set up to respect—that criticism which crucified Jesus Christ, stoned Stephen, hooted Paul for a madman, tried Luther for a criminal, tortured Galileo, bound Columbus in chains, drove Dante into exile, made Shakespeare write the sonnet, "When in disgrace with fortune and men's eyes," gave Milton five pounds for "Paradise Lost," kept Samuel Johnson cooling his heels on Lord Chesterfield's doorstep, reviled Shelley as an unclean dog, killed Keats, cracked jokes on Gluck, Schubert, Beethoven, Berlioz and Wagner, and committed so many other impious follies and stupidities that a thousand letters like this could not suffice even to catalog them?

The people who "get by" with first-rate criticism and thrive on it, are the humorists and wits. They wrap the medicine in candy, administer the purgative pill in a coat of sugar—drench the patient with castor oil disguised in orange juice. Bernard Shaw remarked to me, shortly after I had introduced him to Mark Twain: "Mark Twain and I have to put things in such a way as to make people, who would otherwise hang us, believe that we are joking."

The way of the reformer is hard. A great many people stand embarrassed in the presence of the naked truth.

ARCHIBALD HENDERSON

University of North Carolina
Department of Mathematics
Chapel Hill, N. C.

EDITOR'S NOTE: This is another of the letters forwarded to the editor by Mr. Saunders.

♦ Hits Hard

GENTLEMEN:

The undersigned read with interest Mr. William Hard's "Looking On In Washington" in NATION'S BUSINESS for February and he must say that in his opinion, the gentleman struck what a flute player would call an extremely "sour note."

To be honest about it, the writer has a rather low opinion of a manufacturer or two or three manufacturers who are so inarticulate they have to hire some professional gab artist to present their facts to a congressional committee. If their case has merit, it has merit. If it hasn't merit, all the legal hairsplitters and sophists can't make it meritorious.

I am not one who believes congressmen are so dumb they have to be pumped full of information every time they turn around. They have good horse sense, and that is worth more than a lot of expert testimony delivered by an interested party.

A. D. MILLARD

Civil Engineer,
Beardstown, Ill.

♦ Critical Views

GENTLEMEN:

I realize that it is difficult to make economics interesting to the rank and file; still I believe there is danger in such zeal toward that end as may permit misleading impressions. While I have always been a "bull" on American progress, I feel I have noted a tendency of NATION'S BUSINESS, especially during the last couple of years, toward an overbullishness, and toward exaggeration of all favorable conditions. . . .

I feel the magazine has a distinct tendency to overpopularization of "success" features. While this unquestionably stimulates the interest of the masses, I feel that a good share of your earlier subscription list would prefer a little more unbiased attitude as to the favorable and unfavorable factors in economic life, even at the expense of considerable chilling of the popular warmth of the magazine. . . .

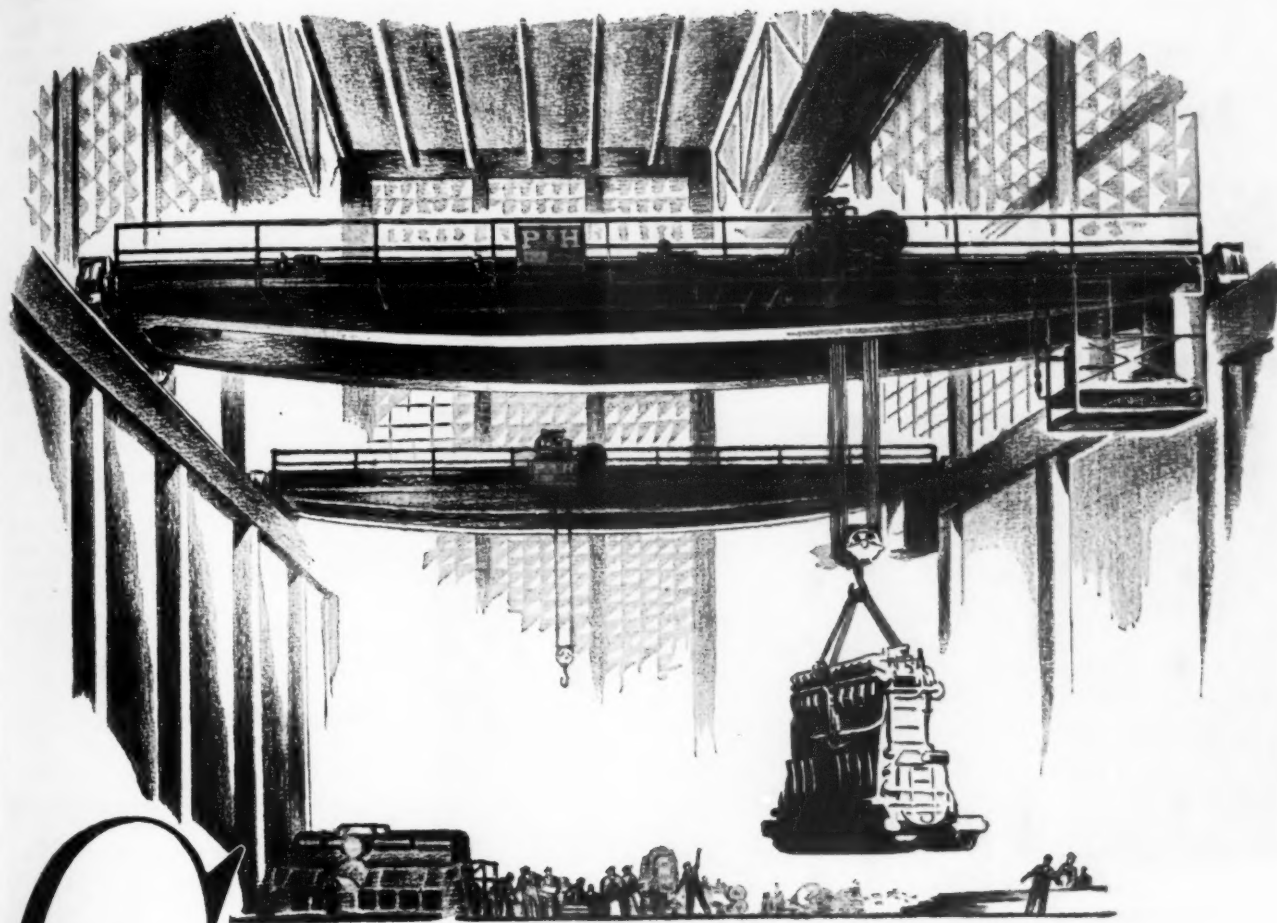
J. P. HANNA
President

National Recording Pump Company
Dayton, Ohio

GENTLEMEN:

I would like to say just one word about NATION'S BUSINESS and that is that it seems to me there has been a big change in the publication within the last few months. It seems more breezy and interesting, at least to me, than it ever was before.

When I looked at the January issue it struck me as an old friend with a new suit of clothes and it seems to be so different typographically that I started to read it



CRANE RELIABILITY..

that protects PROFITS

YOUR profit, based upon close figuring, requires that machines, men and equipment keep going.

You cannot afford delays that you haven't figured on. Think what a serious crane tie-up would cost you. Think what it would mean in losses all down the line. Make sure that you have crane reliability that protects profits.

Throughout industry, P & H Overhead Traveling Cranes are meeting plant haulage demands. Their reliability, proved in more than 9,000 installations, insures against service interruptions. Their speed, safety, and easy accuracy of control... results of 40 years of leadership in crane development, mean low-cost haulage.

In P & H Cranes, you get undivided responsibility. They are built

completely in the P & H plant from superior materials and by an organization that has built more cranes than any other builder in the world.

Among the thousands of P & H Crane users, the following are typical:

	Number of Cranes
Anaconda Copper Co.	285
Allis Chalmers Mfg. Co.	274
Bethlehem Steel Co.	246
American Smelting & Refining Co.	107

	Number of Cranes
International Harvester Co.	84
Weyerhaeuser Timber Co.	82
Ford Motor Co.	77
Pennsylvania R. R.	45

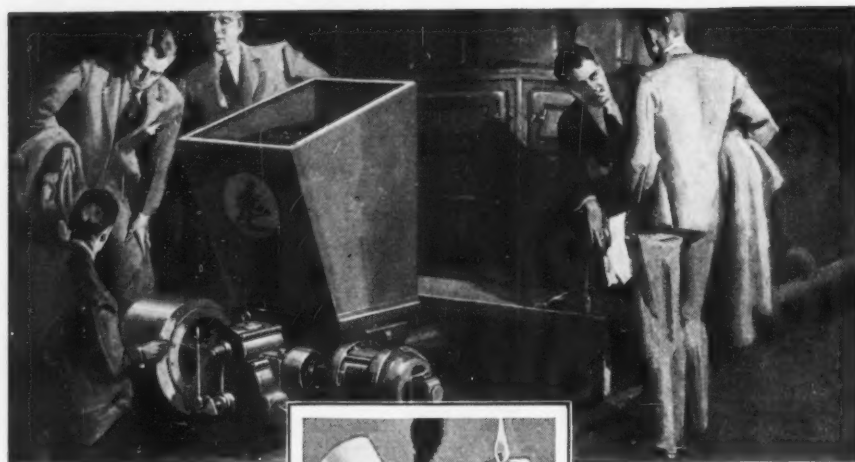
If you have an overhead haulage problem, write us. We will gladly cooperate with you . . . place our vast crane-building experience at your disposal without obligation.

HARNISCHFEGER CORPORATION
Crane and Hoist Division
3830 National Avenue, Milwaukee, Wis.

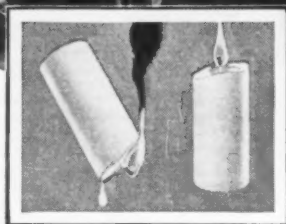
P & H Traveling CRANES

(A-517)

392 typical
Iron Fireman users report
\$193,500.55
combined fuel savings in 1929



Hand firing is exactly like burning a candle upside down. It makes smoke for the same reason.



Iron Fireman forced under-firing is like burning a candle right side up. Both fuel and air come from below—no smoke—no waste.

BETTERMENTS are usually worth their extra cost. But when it is possible to make a definite betterment and *actually be paid for making it*, is it any wonder that business men are quick to adopt it?

Iron Fireman is a worth-while betterment because of the improvement in heating and power which it brings. By scientifically and automatically firing coal, it gives better, steadier heat and more of it. Sensitive controls hold temperatures or steam pressures exactly where you want them, without fluctuations. It saves labor costs, and prevents smoke. It produces firebox temperatures 500 to 1,000 degrees hotter than hand firing. *That proves efficiency!* It uses smaller sizes of coal, which cost less per ton.

Thus savings in fuel costs alone pay

users a cash dividend every year. Users say these fuel cost savings alone amount to 39.44 per cent a year on the cost of their Iron Fireman Automatic Coal Burners. Notice that this figure is not a manufacturer's claim. It is the average annual percentage of cash saving, voluntarily reported by 392 typical Iron Fireman users. Ask for a copy of the tabulated results as given by these Iron Fireman owners.

Aggregate fuel cost savings of owners of Iron Fireman now approximate \$4,000,000 annually.

Are you getting your share of these savings? Complete data and costs gladly supplied on request. Iron Fireman Manufacturing Company, Portland, Oregon. Plants and branches in Cleveland - St. Louis - Chicago - New York. Dealers in principal cities.

IRON FIREMAN
 AUTOMATIC COAL BURNER

... the machine
 that made coal
 an automatic fuel



When writing to IRON FIREMAN MANUFACTURING COMPANY please mention Nation's Business

and continued to read it for some time. This may be all imagination on my part but I have a suspicion that you have been doing something to the publication.

A. B. FRITTS
 Publicity Manager

Norton Company
 Worcester, Mass.

♦ From "Down Under"

GENTLEMEN:

I always manage to find time to read NATION'S BUSINESS rather thoroughly. It is quite different from the ordinary magazine, which confines itself largely to fiction, and from newspapers which devote themselves almost exclusively to current topics.

In business it is the appreciation and understanding of the difficulties of the other fellow's job that is so important, and I find NATION'S BUSINESS is particularly valuable in giving me a conception of other people's problems, difficulties, and outlook.

C. JUDG
 Manager

Victorian Wheatgrowers Corp., Ltd.
 Melbourne, Victoria, Australia

♦ Mergers, Millions? Bah!

THE NATION'S BUSINESS

EDITOR AND OFFICE BOY—

OTHER MEMBERS OF THE STAFF INCLUDED

DEAR SIRS OR BROTHERS:

Your sales letter opens up a very interesting line of thought. For instance, "So let me tell you what's coming in the future." The usual three meals is what concerns me most at this writing, which, by the way, has been recently cut to two.

"Changing business methods," "the effect of mergers on general business," "trade association influence," man alive! what have I to do with these things when I have only 30 cents in my pocket, and ham and eggs are 50 cents per order?

Again, government legislation affecting a tax budget. Moses and the prophets, I can't pay my room rent and you propose to sell me a monthly publication dealing with tax budgets and government legislation.

The reading of your sheet makes us heart-sick and weary. You talk in millions, we live on pennies, promises and prospects. And you of the NATION'S BUSINESS add insult to injury by presuming to talk to me of millions and mergers. Bah! And yet, after all, it is a right good sheet.

W. C. THURSTON
 Editor

Little Journeys
 Salisbury, Md.

♦ Wants Laws

GENTLEMEN:

You state in your December issue that no man is compelled to enter business. I differ with you on that point. Most of us have to work at something. I have no objection to being put out of business by any organization that can serve the public better, and at a lower price.

There is need of some law to protect the small man from ignorance. We have laws to keep people out of the professions until they know something about what they are going to do. Why not keep them out of business until they know a few simple rules of business? The public does not benefit by

ignorance in business any more than it would with ignorance in profession.

C. C. FOGLE

Gainesville, Fla.

♦ Cancel!

GENTLEMEN:

I shall have to ask to have my paper discontinued until it shall become the policy of the management to support the same without resorting to the use of such misleading, vicious and corrupt advertisements as it has recently been your policy to send into our homes.

I must refuse, even at a sacrifice, to defile my living room table with a thing which I so hate. I removed the last page before using it, from the recent number, but it is not always on the last page. I refer to cigaret advertisement.

At the annual meeting of the Association of American Colleges held in your city of Washington, it was most disgusting to me to see so many who stand as educators of the youth, slaves to a vicious habit to such an extent that they were not prevented from forcing upon me and others like me the necessity of breathing their vitiated atmosphere. To see how some of our poor deluded young womanhood are falling in weakness to the machinations of the cigaret makers is enough to make angels weep.

Until we have enough respect for law to enforce it, and until we have enough responsibility for the young to live and also legislate so they will be protected and guided in the right way, we do not manifest much ability to govern ourselves. Why, in the name of all that is good do you not in your magazine emphasize these things?

You would hardly have the courage to print this letter in NATION'S BUSINESS.

I think I am an intelligent, Christian citizen, and I have great respect for the editor of NATION'S BUSINESS.

C. N. BERTELS

Comptroller

College of the Pacific
Stockton, Calif.

♦ Employment

GENTLEMEN:

The main article referred to on the outside of your February issue is "Mr. Schwab Looks at Today's Business." The writer is inclined to think it will take more than a spy glass for him to note the improvement that the big folks say is flourishing. Hardly a paper but what cites some article from Washington that slack employment is being rapidly taken up, and one is lead to believe that there now is scarcely any unemployment.

We feel that the big fellows are bending all their energies in the wrong direction. Everything seems to be greater production at less cost regardless of how many men and women are thrown out of employment. The writer holds that no move is desirable that throws out of employment a great number of men and women, that does not create a demand for those thrown out of employment in other walks of life by virtue of the increased production, and the lowering costs.

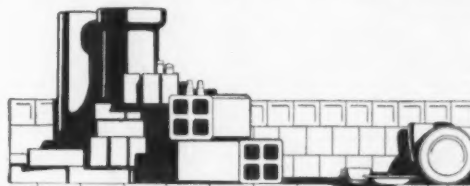
F. O. STRAILMAN

Treasurer

Petersburg Builders Supply Co., Inc.
Petersburg, Va.



TO SUPPLY THE WORLD FOR CEN- TURIES TO COME



IF THE whole ceramic industry moved to Georgia, the clay from one Georgia county alone would supply its sedimentary kaolins, at the present rate of consumption, for the next six hundred years.

Because this clay is near the surface, it is cheap. Because it is varied, virtually every form of table ware, electrical porcelain, sanitary ware, wall and floor tile can be made from it, in addition to the more staple ceramic products, such as brick.

Thus, from a plant enjoying the economies of Georgia location it is possible to serve a wide and rich market with goods whose quality compares favorably with wares of imported clays, at a price well below similar goods from other sections.

Georgia is richly endowed. Her natural resources and production advantages offer tremendous opportunities for a widely diverse group of industries, such as Paper and Pulp, Furniture, Rubber, Full-fashioned Hosiery, Textiles and many more, which have unusual profit possibilities.

We will gladly supply the detailed background of these statements on request. Write Industrial Department, Georgia Power Company either at the New York office, 20 Pine street, or the home office, Electric building, Atlanta, Georgia.

GEORGIA

POWER



COMPANY

INDUSTRY PROSPERS IN GEORGIA

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THIS is one of a series of editorials written by leading advertising men on the general subject of "Advertising."

Honest Advertising Is Good Business

THE National Better Business Bureau, well known for many constructive activities, has recently stretched a helping hand toward radio manufacturers. In a sincere, friendly manner, it is pointing out the evils of the unbelievable character of much radio-set advertising. That such effort will have the approval of all far-sighted sales and advertising executives seems obvious, for it strikes at an insidious foe of modern business.

Mass production, which is so largely responsible for our improved standard of living, would be impossible without mass selling. Advertising—which is mass selling—could not exist without public confidence in the printed word. Destroy that confidence with unbelievable advertising and business would fall back into the chaos of the suspicious, dollar-biting era of buying. Any industry will find its sales job more difficult, its sales expense ratio higher, if its advertising creates prospects with a suspicious, cautious attitude.

Radio manufacturers are not the only group that can well afford to make sure of believability in its advertising. Extravagant claims are frequent in automobile, cigaret, and some other advertising copy. Industrial advertising, on the other hand, seems peculiarly free from such poor practice. Seldom is an advertisement addressed to the man of industry anything other than a message which the president of the company would gladly deliver personally to any prospect. The apparent reason for this is the closer relationship between buyers and sellers in industry. No advertiser would indulge in unbelievable copy if he had to meet face-to-face a large proportion of the ultimate users of his product.

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